

Friday April 7
rate cut

FINANCIAL TIMES

Weekend
FT
Section 2

The families
who wait for
empty trawlers
Page 1

Fear of
Flying
Page XV

Young Tiger
on the prowl
Page XVI

Relics of
a colony
Page XIV

World Business Newspaper

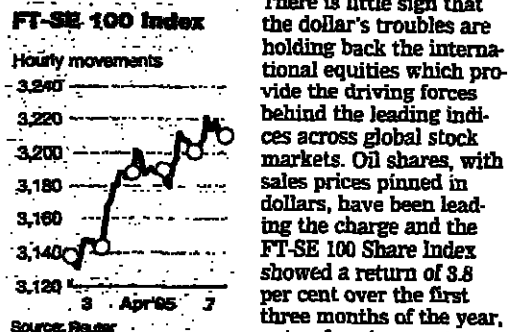
WEEKEND APRIL 8/APRIL 9 1995

108523

Calls for action as dollar hits new low against yen

There were fresh calls for international co-operation to stabilise currency markets as the dollar fell to a new postwar low against the yen. Jean-Claude Paye, secretary-general of the OECD, said greater policy co-ordination between Japan, Germany and the US was necessary to stabilise the currency markets. Meanwhile, official figures showing an unexpected drop in US manufacturing employment indicated that factories may be scaling back production plans in response to weaker consumer spending. The overall unemployment rate rose to 5.5 per cent, against 5.4 per cent in February. Page 22

FT-SE shrugs off US currency's troubles:



global markets, although not Wall Street. The Footsie closed 10 points up at 3,210.5 yesterday, a seven-month high and up 73 points on the week. Page 19

Seagram may buy MCA: Canadian drinks company Seagram is widely rumoured to be on the point of finalising a deal to buy film studio MCA from Matsushita of Japan. Page 22 and Lex; Man in the News, Page 10

IMF poised for Ukraine loan: The IMF was poised to release a \$1.8bn stand-by loan for Ukraine. The fund's board arranged to meet only a day after Ukraine approved the 1995 budget. Page 3

Russian bankers' sell-off plans: A consortium of bankers presented the Russian government with their proposal to take over the management of key state-owned companies in exchange for extending a loan to the state. Page 3

EBRD's future questioned: For four years the European Bank for Reconstruction and Development struggled to justify its existence and demonstrate its worth. At its four-day annual meeting which opens in London today the debate will shift to whether it has a future. Page 2

HK talks end with gloomy prognosis: As Anglo-Chinese talks on Hong Kong's future ground to a virtual standstill, it emerged that Britain is concerned that Hong Kong will pass to China in 1997 with an incomplete legal system, demoralised civil service and police force and inadequate provisions for the free movement of Hong Kong's residents. Page 4

Japanese election pact: Japan's mainstream parties formed a pact to challenge popular political independents in tomorrow's local elections, marking a pause in the reform of the country's power structure. Page 4

IBM and Telecom Italia venture: US computer group IBM and Telecom Italia, Italy's state-controlled telecoms operator, plan to market mobile offices in Italy, linking cellular telephones and portable computers. Page 8

BA and Virgin's war of words: Such is the bitterness between British Airways and Virgin Atlantic that even a legal settlement provokes another volley of vituperation. Page 6

Ferry design blamed for disaster: A joint report by Sweden, Finland and Estonia into last September's Estonia ferry disaster said foul weather and design features were factors in the sinking of the vessel in the Baltic. But the report did not accuse builders, designers or crew of negligence or wrongdoing.

Assault on Mafia: Italian police launched a dawn blitz across western Sicily, issuing arrest warrants for almost 100 Mafia suspects accused of being involved in a string of murders stretching back more than 20 years.

Agar Khan divorces wife: The Agar Khan has divorced his wife - five months after they announced the end of their 25-year-old marriage. The billionaire, revered as the direct descendant of the prophet Muhammad by 12m Ismaili Muslims, was granted a divorce from former model Sally Croker-Poole in a Swiss court.

Companies in this issue

BSkyB	7	Jones Group	7
Bellway (Bar)	8	Knight-Ridder	8
Banco Hamro	8	Kynoch	8
Baring Capital Vent.	8	La Caixa	8
British Airways	8	Middlesex Holdings	8
Cookson	8	Netscape Comm.	8
Cott	8	New York Times	8
Cowie	8	North	8
Credit Lyonnais	7	Pearl Assurance	7
Deutsche Bank	7	Refect Shop	7
Du Pont	8	Seagram	8
EuroMoney	8	Svenska Match	8
Fiscal Properties	8	Telecom Italia	8
Flying-Flowers	8	Time Mirror	8
Geest	8	Video News Inter.	8
Heerst Corporation	8	Virgin	8
IBM	8	Volvo	8

For customer service and other general enquiries call:

Frankfurt
(69) 15685150

Top European banks allege big employee frauds

By John Gapper in London and Christopher Parkes in Frankfurt

Two of Europe's biggest banks yesterday said they had suffered suspected frauds by rogue employees similar to that allegedly perpetrated by Mr Nick Leeson, the Singapore trader who brought down Barings, the UK merchant bank.

A foreign exchange executive employed by Deutsche Bank has been arrested on suspicion of a DM28m (\$20m) fraud, while Credit Lyonnais disclosed details of the alleged embezzlement of

FFr600m (\$121m) involving a former general manager in Egypt. German court officials said Deutsche's 33-year-old head of foreign exchange in Nuremberg was being held, along with a 34-year-old customer. Deutsche said irregularities were identified in a routine auditing check last month.

Prosecutors said they were investigating deals in US dollar options between the former Deutsche employee and a customer dating back to April last year. Mr Leeson, who is also under arrest in Germany, traded futures and

options for Barings. Separately, Credit Lyonnais, which lost FFr12.1bn last year, disclosed details of the alleged embezzlement of loans to Egyptian companies involving Mr Jean Louis Laguenes, who it is suing in the French criminal courts. Mr Jean Peyrelevede, the state-controlled bank's chairman, said Mr Laguenes had disappeared last year. He was initially dismissed by Credit Lyonnais in late 1993 when it uncovered a third of the losses, but the full extent was only discovered later.

Mr Peyrelevede was pessimistic about the chances of banks preventing employees from losing money periodically. He said each bank discovered small frauds of this kind at least once a month. "If you issued press releases and sued people every time this happened, you would have new newspapers and new courts, because the number of these incidents is incredible," said Mr Peyrelevede, speaking on a visit to London.

Mr Laguenes' losses have not been detailed before, largely because they were dwarfed by huge losses incurred by Credit Lyonnais on lending and other activities. The French govern-

ment was forced to back a 30-year rescue package last month. Mr Serge Boutissou, head of financial management at Credit Lyonnais, said Mr Laguenes, a long-time employee of the bank in his mid-50s who was general manager of Egyptian operations, had taken part in embezzlement over several years. He said Mr Laguenes started by making loans of up to FFr6m, rolling them over when they were due to be paid. He allegedly lent money to friends' companies, knowing it would not be returned.

'It is time for Tories to talk about things that unite us,' says PM

Major calls for unity after local election rout

By Robert Peston and John Kampfner in London

Mr John Major, the British prime minister, will today make an impassioned plea for unity in the ruling Conservative party in the wake of the party's disastrous performance in the Scottish local elections.

In an article today in the Sun mass-market newspaper, Mr Major writes: "It is time for Tories to stop talking about our differences and start talking about things that unite us."

He promises lower taxes and more jobs. "People might still feel the pain, but now we can look forward to the gain. Lower taxes. Still more jobs."

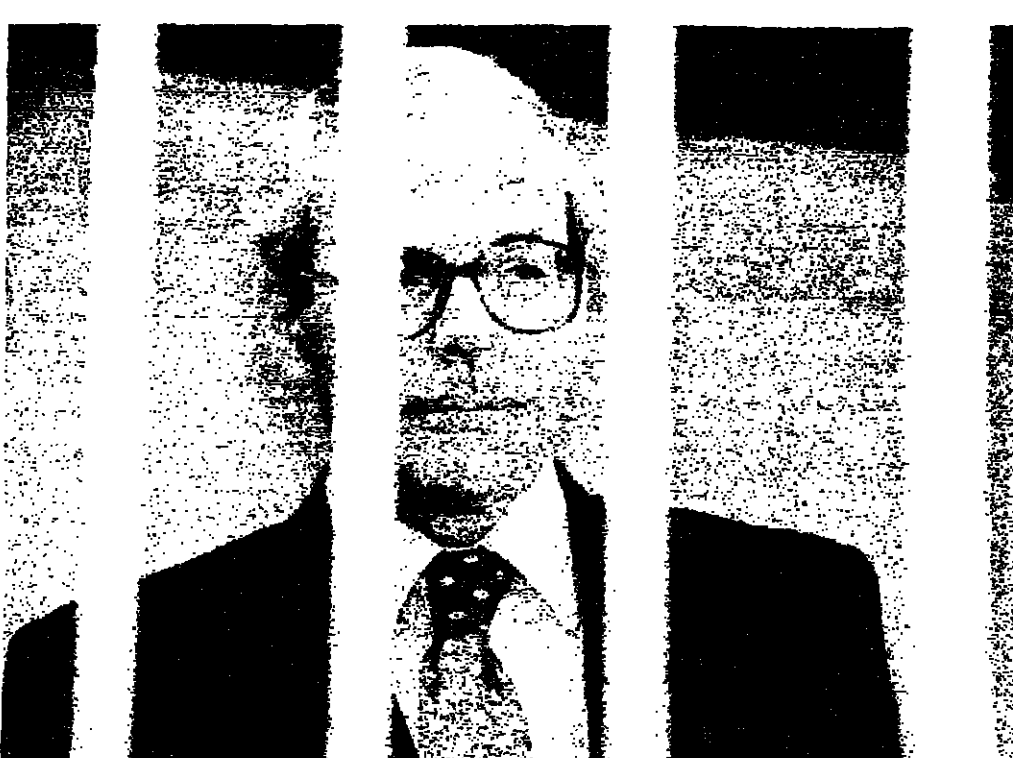
Mr Major's frankest admission to date that the government must take action to deliver better living standards, came after the shock caused to the party by Thursday's Scottish local elec-

tions, in which it won just 81 seats out of the 1,100 up for re-election.

The defeat comes amid other political difficulties for Mr Major, including divisions in the Conservative party over policy toward European integration and allegations of sexual and financial impropriety involving Conservative MPs.

Opinion pollsters last night predicted that in next month's local elections in England and Wales, the Tory share of the vote could fall below 20 per cent, which would mean losses of up to 2,000 seats out of the 4,000 they are defending.

The Conservatives' share of the Scottish vote slumped to an estimated 11 per cent, compared with 26 per cent in the 1992 general election and 13.7 per cent in last year's local poll. There is now not a single local council under Conservative control north of the



John Major is pictured through a doorway as he opened a school in south west England yesterday

border. Labour meanwhile took control of 20 out of the 29 councils up for election and a 46 per cent share of the vote, compared with 39 per cent in the general election.

The Scottish National Party achieved a 36 per cent share and has control of three councils. The Liberal Democrats trailed with just 9 per cent of the vote, but won 123 seats, 52 per cent more than the Conservatives.

In a gesture normally reserved

for general election defeats, Mr Major congratulated Mr Tony Blair, leader of the Labour party, on his party's success.

He blamed party feuding for the rout. "They were very poor results indeed," he said. "The people in the country expect the party to be united."

Mr Blair described the results as an "absolute disaster" for the government.

"At the end of the week when we have seen huge problems encountered by the health secretary, the home secretary and the transport secretary, it is ludicrous to suggest, as the Tories

do, that their main problem is presentation," he said.

Mr Blair added that there was no question of his becoming complacent in the wake of the Scottish success and that he was committed to pressing on with modernising the party.

Mr Douglas Hurd, the foreign secretary, moved swiftly to ward off any challenge to Mr Major's leadership, which might follow the England and Wales council elections.

Analysis and reaction, Page 5; Higher hurdles along the track, Page 9; Lex, Page 22

Renamed KGB stirs old fears in Russia

By Christy Freeland in Moscow

Before the collapse of the Soviet Union, the Lyubyanka, the oppressive grey building which housed the KGB, was Moscow's most feared destination. Now, for nouveaux riches Russians, who do their shopping at a western supermarket which has sprung up next door, the Lyubyanka has lost its sinister associations.

A law which came into force yesterday has provoked fears that a revamped and renamed KGB may re-emerge as an intimidating force in the new Russia. Mr Yeltsin had put his signature to the new law earlier in the week.

The law reinvigorates the Federal Counter-Intelligence Service (FSK), which emerged in 1993 after the dismantling of the KGB. Under its new name, the Federal Security Service (FSB) will enjoy a broad mandate to spy abroad and fight organised crime at home, while the old FSK was limited to domestic operations. Human rights activists fear these new powers could tempt the FSB to revert to the KGB's role in pursuing opponents of the ruling regime. But agents at the FSB and Russian observers say the revival of the once-feared organisation is part of a broader effort to consolidate the authority of the new Russian state.

"Russia is moving towards a mixed democratic, semi-authoritarian model, with the strength-

Continued on Page 22

France moves to keep alive hopes of single EU currency

By Lionel Barber and David Buchan in Paris

France will today open a politically sensitive debate on the planned single European currency with proposals on the weight, shape and denomination of the new coinage.

The French proposals, to be unveiled at an informal meeting of European Union finance ministers and central bank governors in Versailles, are aimed at keeping alive slim hopes of a move to economic and monetary union by 1997.

But a discussion of preparations for a single currency could cause discomfort to the UK government, which is keeping open its EMU option, in spite of pressure from Euro-skeeps in the ruling Conservative party to rule out future participation.

Germany may also be an unenthusiastic participant. Mr Theo

Waigel, finance minister, and Mr Hans Tietmeyer, Bundesbank president, are nervous about any suggestion that the move to a single currency will be automatic, or that the Maastricht treaty's criteria for EMU might be diluted.

Neither German representatives favour the French preference for calling the future single currency the Ecu, because the present Ecu has been losing its value steadily against the D-Mark.

Mr Edmond Alphandery, French economics minister, said the two-day Versailles meeting would give politicians a chance to examine the problems in a switch to a single currency. Up to now, these had been dealt with by technical experts.

France, which holds the rotating EU presidency, plans to put the delicate issue of the design of the new coins and notes on the

agenda of the European summit in Cannes in June. It is widely accepted that the name and symbols on the currency will have to be settled by government leaders.

Informed estimates suggest that it could take between two and four years to mint the coins and put them into circulation.

Mr Kenneth Clarke, UK chancellor of the exchequer, has predicted "not a single member state" will be ready for EMU in 1997. But he has pledged that Britain will play a constructive role in technical preparations for EMU, and has refused to say whether Britain will exercise its treaty opt-out in 1999.

Though no decisions will be taken at the meeting, the talks reflect the need to prepare the public and the banks for a new currency. All technical issues must be resolved by the end of next year, according to the Maastricht treaty.

STOCK MARKET INDICES			
FT-SE 100	3,210.5	(+10.0)	
Yield	4.94		
FT-SE Eurostoxx 100	1,261.80		
FT-SE-A All-Share	1,571.24	(+0.3%)	
Nikkei	15,719.5	(-63.37)	
Dow Jones Ind Ave	4,178.45	(-25.93)	
S & P Composite	504.37	(-1.71)	
■ LONDON MONEY			
3-mo Interbank	6.5%	(6.5%)	
Life long gilt fut.	Jun 103.4	(Jun103.2)	
■ US lunchtime RATES			
Federal Funds	5.5%		
3-m Treasury Bill	5.537%		
Long Bond	7.281%		
■ NORTH SEA OIL (Argus)			
Brent 15-day (Nov)	\$18.21	(17.94)	
■ GOLD			
New York Comex (Jun)	\$385.7	(385.5)	
London	\$385.5	(384.0)	
■ STERLING			
New York lunchtime	1.8045		
London	1.8008 (1.8005)		
DM	2.2191 (2.2139)		
FF	7.7172 (7.7165)		
SFR	1.8222 (1.8139)		
Y	138.229 (137.321)		
2 Index	64.3 (64.5)		
■ DOLLAR			
New York lunchtime	1.38		
DM	4.8015		
SFR	1.132		
Y	84.05		
London	1.3811 (1.3783)		
FF	4.8222 (4.7975)		
SFR	1.134 (1.1278)		
Y	84.155 (83.875)		
2 Index	65.3 (65.2)		
Tokyo close	94.20		

CONTENTS			
News	Man in the News	Gold Markets	World Commodities
International News	Companies	Equity Options	Wall Street
UK News	UK	London SE	Bourses
Weather	Int. Companies	LSE Dealings	Weekend Money
Lex	Markets	Managed Funds	Section I
Postcards	FT-SE Activities	Money Markets	Section II
Leader Page	FT World Activities	Recent Issues	Weekend FT
Letters	Foreign Exchanges	Share Information	Section III

Fidelity International Investor Service

Trade at a discount in markets worldwide.

The savings

- Up to 7.5% on UK Equity commissions
- Up to 6.5% on US Equity commissions
- Coldest dealing positions from Europe

The service

- Trading in UK, US, Continental Europe and other major markets
- Access to over 3,000 world wide financial titles
- Multi currency Money Market Account

If you make your own investment decisions, Fidelity Brokerage offers a simple and inexpensive way to access world markets. The service is specially designed to meet the needs of expatriate and international investors and offers substantial discounts over traditional full cost stockbrokers. Currency conversions are done at no extra charge when associated with a managed fund or securities trade, and our linked, multi-currency offshore Money Market Account pays gross interest on all uninvested cash balances. What's more, you have the reassurance of the Fidelity name, one of the leading and most respected stockbroking and fund management groups in the world.

Call (44) 1737 838317

UK (tollfree) 0800 222199 9am-6pm (Mon-Fri) 10am-4pm (Sat-Sun) UK time. Fax (44) 1737 830360 anytime

To Fidelity Brokerage Services, Kingswood Place, TADWORTH, Surrey KT20 6AB, United Kingdom. Please send me information and an application for Fidelity's International Investor Service.

Mr/Ms/Mrs (please print) _____

Address _____

Postcode _____

Fidelity Brokerage

*Based on a September 1994 Fidelity survey of advisory commissions of 10 leading stockbroking firms. **Based on a September 1994 Fidelity survey of advisory commissions of 10 European stockbroking firms. This advertisement is issued by Fidelity Brokerage Services, member of The London Stock Exchange and The SFA. We cut commission - not service.

NEWS: EUROPE

European bank eyes future funding

By Anthony Robinson
in London

For four years the European Bank for Reconstruction and Development (EBRD) struggled to justify its existence and demonstrate its worth. At its four-day annual meeting which opens in London today the debate will shift to whether it has a future.

As usual, it is largely a question of money. The bank's 57 government shareholders pledged a total of Ecu10bn (US\$13bn) in start-up capital and reserves to get the bank started in 1991. This weekend they will start applying their minds to whether they should subscribe more taxpayers money in 1996 to fund a capital increase.

Senior officials, who have prepared a technical paper listing actual and projected lending and disbursements, say an increased capital base is needed if the bank is to continue financing the rapid growth of private enterprise in the former communist world into the 21st century.

Over the last two years the bank, under the leadership of Mr Jacques de Larosière, former managing director of the IMF, and his deputy Mr Ron

EBRD GATHERING MOMENTUM				
	1994	1993	1992	1991*
	number	number	number	number
New projects approved	109	80	47	16
EBRD financing for year	ECUm	ECUm	ECUm	ECUm
Approved	2,408	2,052	951	350
Committed	1,676	1,642	826	53
Disbursed	591	408	127	0
Total project funds	6,909	5,973	3,318	1,223

*9 months operations
Source: European Bank for Reconstruction and Development

Freeman, a US merchant banker recruited from Salomon Brothers, has sloughed off the "glistening bank" image gained under its controversial first president, Mr Jacques Attali. The original confusing split between the bank's development and investment banking activities was also replaced by an integrated banking division under Mr Freeman's control after last year's annual meeting in St Petersburg.

Mr de Larosière knew when he took over the EBRD two years ago that it had no chance of obtaining a capital increase for future expansion unless it cut costs, sharpened its focus and demonstrated its ability to deliver a level and quality of service unmatched by existing

international financial institutions or the purely profit-driven commercial banks.

The bank's annual report, published earlier this week, outlines some of the progress made since then. Overall operating costs were cut by one per cent last year while the value of signed loans and equity investments climbed 74 per cent to Ecu1.88bn and net disbursements rose from Ecu409m in 1993 to Ecu591m. In addition projects worth another Ecu1.4bn were approved, but not yet signed off by the board.

The bank claims the quality of projects also improved, with greater emphasis on path-breaking projects which helped pave the way for privatisation in Russia and elsewhere and

Western governments are expected to give an unenthusiastic response to proposals for an increase in the share capital of the EBRD, writes Anthony Robinson and Gillian Test. But they will probably approve a study of the issues prior to next year's annual meeting in Sofia, Bulgaria, a Canadian spokesman said yesterday. The UK Treasury said it would study "carefully" any requests for further contributions.

on projects which alleviated infrastructural bottlenecks.

The bank also provided "comfort" and encouragement for otherwise reluctant private sector investors to go ahead with co-financing projects. "For every Ecu invested by the EBRD two more from industrial and institutional investors were mobilised, raising the overall value of approved EBRD-financed projects to Ecu17.4bn," the bank says.

"The bank is prepared to lend for longer periods, take equity stakes and take more of a risk than the private sector. This attracts domestic and foreign investors who also want to come into projects with us because they know that we'll be dealing with governments

and projects over an extended period. If those involved don't stick to agreements they know they will be unlikely to get access to future projects. All this provides the "comfort" which attracts private investors," says Mr Nicholas Stern, the bank's chief economist.

Banking is another sector where the EBRD has stepped up its presence. Given its multinational nature and relatively high cost base it was never designed as a retail bank. But it plays an important role as a provider of "wholesale" funds, either through loans to private banks for on-lending to retail borrowers, or through equity stakes.

For all its cost-cutting and sharper focus however, the bank is still saddled with the cost of providing offices and tax free salaries for 23 executive board members and their deputies. They represent the same governments who over the next 12 months will be deciding whether the bank offers value for their money.

Ironically the EBRD would look even more cost-effective if it were relieved of the costs of carrying a bloodied head of government nominees which alone accounts for 12 per cent of total costs.

Climate change talks seen as modest success

By Haig Simonian in Berlin

For a meeting which kicked off with show-stoppers such as "common but differentiated responsibilities" and which decided to "apply but not adopt" a set of rules, the fact that the Berlin conference on climate change achieved anything should be seen as a success.

Yesterday's agreement on the inadequacy of existing efforts to combat climate change by cutting emissions of greenhouse gases, such as carbon dioxide, represented a step forward. So did the agreement to set a 1997 deadline for negotiations on further legally binding action.

That may not satisfy environmentalists, who hoped the meeting would set a much tougher negotiating straight-jacket. Some small island states, backed by a brigade of non-governmental lobbyists, have pressed for an agreement to reduce carbon dioxide by 20 per cent by 2005 compared with 1990 levels.

Such an ambitious target was never on the cards, given the range of heavyweight opposition to further action on climate change. The hostility of the Organisation of Petroleum

Exporting Countries and the US was well known. But in the negotiating group, Washington was backed by Japan, Canada, Australia and New Zealand in its refusal to accept specific targets or timetables for further cuts.

As expected, the "Berlin mandate" agreed yesterday makes no mention of such specifics, which had been a main aim of the European Union. Nor does it reflect any greater commitment by developing states to accept some responsibility for lowering emissions, as had been hoped by the developed world. And after two weeks of talks, delegates failed to come up with the rules of procedure to govern future voting decisions.

But given such a broad range of positions, many delegates were pleased the conference had kept the ball rolling.

The burden of reduction will rest with industrialised states, still the biggest producers of greenhouse gases. Developing nations did agree to join implementation, whereby industrialised states can sponsor reductions in emissions in the developing world and be credited against their own quotas.

Joint implementation will begin with an open-ended pilot phase. Once states have gained experience, talks will be held on making it permanent and on the crediting criteria to be applied.

The results should be sufficient for Germany, the host, to deem the conference a success. That will be a relief for Chancellor Helmut Kohl's government, which faces regular attacks from the powerful "green" movement for alleged lip-service to the environment.

Bonn has been chosen as the seat of the permanent secretariat for the climate change convention, reinforcing Germany's "green" credentials. The transfer will also help to cushion the blow to Bonn when the federal government moves to Berlin around 1998.

India, which has been assiduously courted by European environment ministers, also stood out. It played an essential part in taking the initiative on accelerating negotiations last week.

And China, although keeping a low profile, acknowledged for the first time that climate change was a problem for all and not just industrialised countries.

Iceland at a crossroads without a map

Election talk has missed out security and the EU, writes Hugh Carnegie

The Vikings who founded Iceland's parliament - the Althing - a thousand years ago were a rugged band of settlers undeterred by the glaciers, geysers and barren landscape which dominate the remote, north Atlantic island. But their chieftains at least held their assemblies at midsummer, when the sun shines all day and all night and has some warmth in it.

Today's Icelandic politicians may have cars and aeroplanes in place of carts and longships, but their scheduling of elections in early April is definitely a regression from the ways of their hardy ancestors.

On Thursday an attempt to venture to the fishing communities on the tiny Vestmanna islands off the south coast to test opinion ahead of today's general election was thwarted by a near-blizzard. The flight from Reykjavik circled in thick cloud over the volcanic Vestmanna outcrops before lurching back to the capital.

"This is Iceland," shrugged Mr Sigvaldur Bjarnason, Iceland's Businessman of the

Year in 1994, who was vainly trying to return to his busy fish processing operations from meetings on the mainland.

As usual, fish is a central issue in the election. The backbone of the economy, the fishing industry accounts for some 80 per cent of export goods and some 20 per cent of GDP. Arguments are swirling among the six political parties - one for every 43,000 inhabitants - over questions such as the recent drastic cut in cod quotas and proposals to tax the inheritance of individuals' fishing quotas.

Despite the quota cuts, the economy is improving. Growth of about 3 per cent is expected this year, Iceland's previously chronic inflation has been tamed and unemployment is starting to edge below five per cent.

But polls suggest the incumbent coalition of prime minister David Oddsson's Independence party and the Social Democrats could lose its Althing majority.

If so, prolonged negotiations for a new coalition will ensue,

with all six parties involved, including Iceland's women-only party, the Women's Alliance.

Curiously, however, two important strategic issues facing Iceland have been little discussed in the election campaign. These are the related questions of Iceland's security stance in the post-Cold War era and whether it should apply for membership of the European Union.

Much to the frustration of Mr Jon Baldvin Hannibalsson, foreign minister and leader of the SDP, his rival party leaders have been reluctant to confront issues which for most provoke awkward splits in their party ranks.

Yet Mr Hannibalsson insists that Iceland - a founder member of Nato, occupying a key strategic maritime position between the US and Russia but with no armed forces of its own - is at a critical juncture.

"Iceland is definitely at a crossroads," he says. "The stability of our foreign policy was secured in the Cold War period when we had our bilateral

defence agreement with the US, membership of Nato, co-operation with the Nordic countries, membership of Efta (European Free Trade Association) and, latterly, membership of the European Economic Area. Now all these premises are changing."

Mr Hannibalsson warns that Iceland is gradually being marginalised by the shifts in Nato, Washington's desire to cut back its commitment at the Keflavik military base near Reykjavik (which forms Iceland's defence) and by the accession to the EU of Efta and EEA partners Austria, Finland and Sweden.

The SDP recently became the first Icelandic political party to endorse an application for EU membership. This stance has significant support among many young Icelanders and from the non-fish business community.

But Mr Oddsson argues that Iceland's Nato membership is secure. He says EU membership at present is simply impossible because Iceland's demand to retain full control

over its fishing grounds is irreconcilable with the EU's common fisheries policy. He does not rule out eventual EU membership, but says an application must wait until after next year's EU Intergovernmental Conference on the Union's future at least.

Key industry figures such as Mr Bjarnason (he is also chairman of Iceland's fish producers association) fully back this position. On the aborted plane trip, he expressed the hope that the election would produce a new coalition between the Independence party - to which he belongs - and the ruralist-rooted Progress party. "That would be best for the fishing industry," he said.

The Viking settlers, who opted for the remoteness of Iceland when others were colonising closer to home in Europe, might have sympathised. But Mr Hannibalsson says such an outcome would be disastrous.

"It would mean the most conservative and isolationist forces would join together. Then you can forget about Europe," he said.

Ruling on TV listings may prompt copyright cases

By Emma Tucker
in Luxembourg

The European Court has ruled that three Irish and British television companies that withheld information necessary for compiling television listings from other publications were abusing their dominant positions in the market.

Judges in Luxembourg ruled that the companies - RTE, the BBC, and ITN - broke EU competition rules by refusing to license an industrial property right, in this case television listings, to competitors.

Lawyers in Brussels said the decision represented a landmark ruling on intellectual property as it was the first time that EU competition rules had taken precedence over national copyright law.

It means that the European Commission will, in certain cases, have the right to order copyright holders to grant licences to other parties.

"The judgment means that a software or pharmaceutical company - assuming it was dominant and was using an intellectual property right to prevent a competing product's emergence - could be challenged in exceptional circumstances if it refused to grant a licence," said one lawyer.

RTE, the BBC and ITN were challenged in 1986 by Magill Publications, a small Dublin publisher that wanted to print a weekly TV listings magazine. At the time the three companies printed their own listings for which they claimed copyright protection.

The Commission believed the networks were abusing article 36 of the Rome Treaty which says that companies are not allowed to abuse a dominant position and backed Magill's complaint.

The court's ruling on Wednesday will make no noticeable difference to television listings in Ireland and the

UK. Since Magill went to court the situation has altered radically in both countries so there is open access listings.

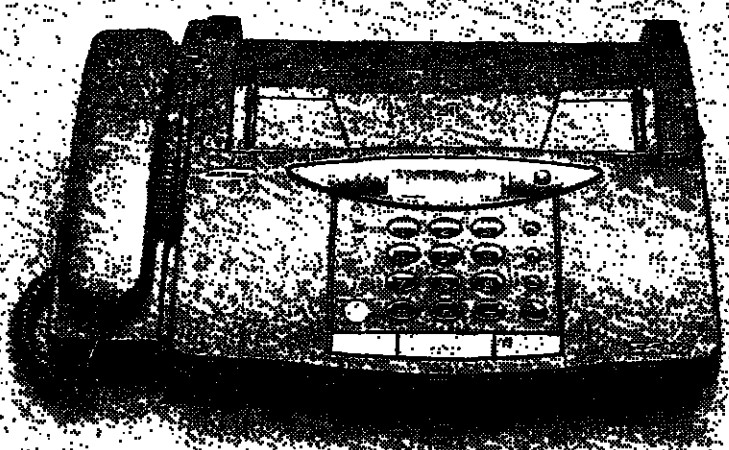
But Magill - whose TV magazine was stifled at birth - has said it will seek compensation from the Irish network.

The Commission has stressed that a refusal to license does not normally constitute an abuse, as the majority of copyright holders are not in a dominant position.

However, the ruling could prompt it to press ahead with other similar cases. One involves Minolta, which manufactures photocopying machines. Suppliers of toner have complained at its refusal to license the design of its toner bottles.

Meanwhile, US manufacturers - especially software manufacturers - are jumpy and are expected to argue that the judgment represents a lack of respect for the sanctity of intellectual property rights.

LICKS STAMPS.



Samsung Home Ansafax ES25 (ex. VAT)

The Samsung SF800 Home Ansafax ensures all messages are delivered first class, on time, 24 hours a day. Combining fax, digital answerphone and photocopy with LCD display, it features Auto Fax/Tam switching. This means it instantly switches from fax to answerphone depending on the incoming message. Just the sort of technology you'd expect from a world class electronics manufacturer. And while your living room may start to operate like an office, the SF800's stylish design means it won't end up looking like one. It's designed to be easy on the pocket too, at just £329 (ex. VAT). For more information, complete the coupon and place in one of those quaint red boxes.

For full details of fax machines from the world's 3rd largest electronics company send the completed coupon to Samsung Electronics (UK) Limited, Samsung House, 225 Hook Rise South, Surbiton, Surrey KT6 7LD

Name _____ Address _____
Postcode _____ Telephone No. _____

SAMSUNG
ELECTRONICS
TECHNOLOGY
THAT WORKS
FOR LIFE

Corsica lukewarm on Balladur

Presidential candidate's tour fails to inspire the 'island of beauty'

By Andrew Jack
in Ajaccio, Corsica

Police lined the roads and bodyguards were omnipresent, but the only security alert during French Prime Minister Edouard Balladur's presidential campaign visit to Corsica turned out to be a traditional rural welcome - ancient rifles being fired into the air at a farm stop.

Mr Balladur made the most of being the first presidential contender to visit the island during the elections, but - arriving from Paris at lunchtime on Thursday and returning the same evening with an entourage of 50 journalists - he clearly had no intention of lingering too long.

Mr Balladur, who has recently been rising in the polls again, was lured to the island by the traditional right-wing influence of his three cabinet ministers with local connections: Mr Charles Pasqua, Mr Francois Léotard, and Mr José Rossi.

His organisers seemed at least as concerned about union demonstrations during the visit as about attacks from Corsica's extreme separatists, who firebomb offices and houses owned by the government or by people not originally from the island.

It was only three weeks ago that the "island of beauty", as it calls itself, was brought to a standstill by a general strike in solidarity with a long-running public sector dispute calling for wage increases to reflect the higher cost of living locally than on the mainland.

But Corsican lack of interest was more in evidence than any active opposition. As Mr Balladur told his first meeting of business people outside Bastia how much his administration had done for the island, there



Edouard Balladur (centre) watches the preparation of traditional Corsican doughnuts

was a steady trickle of people sneaking outside to chat to each other or graze prematurely at the waiting buffet.

One thing the locals do like is their current strength in national politics. Mr Pasqua, interior minister, Mr Léotard, defence minister, and Mr Rossi, industry minister, were all out with Mr Balladur trying to gather local support for their leader and preserve their own hold on power.

But as one man in Ajaccio said yesterday: "There are plenty of others waiting to take their places. Corsica is a traditional, right-wing place. Most people here will vote for Chirac."

There was little sign of such discontent at the election meetings, however, although the biggest applause seemed often to be stolen by a radiant Mr Pasqua, clearly at home with the crowds, while Mr Balladur sometimes nervously fiddled with his jacket buttons.

The Mediterranean sun did little to thaw the prime minister's icy personality. There were only occasional forced smiles as a local singer held him captive with first a Corsican, and then a French, folksong at his second gathering, a

farm in the village of Francardo.

"I will vote for Balladur because he is new," said one woman reflecting frustration at long-enduring "professional" politicians. "Chirac is all like this, said a hotel worker, puffing out his chest to suggest pride and pomp. "He has nothing up here," pointing his finger at his head. "Balladur is more like Napoleon. There is much more up here and less down there."

It was in Ajaccio, birthplace of Napoleon, at his final meeting that the prime minister developed his other late-developing theme in response to failing poll ratings: an appeal to youth. "We need to restore pride in France, above all for our young people," he said.

At the rally, "Youth for Balladur" lined the stage, cheering at the appropriate times. Yet they looked rather more lost as they struggled to remember the words of the national anthem with which their candidate led the crowd at the end of his discourse.

Many local young people had different ideas. A number of the posters of Mr Balladur pasted up around Ajaccio had been covered by fliers advertis-

ing a forthcoming homage to another teen idol: a US "grunge" singer who recently committed suicide, Kurt Cobain.

THE FINANCIAL TIMES
Published by The Financial Times (Europe) GmbH, Nibelungenplatz 3, 60318 Frankfurt am Main, Germany. Telephone: +49 69 156 830. Fax: +49 69 156 831. Telex: 416193. Represented in Frankfurt by J. Walter Brand, Wilhelm J. Brand, Colin A. Kennedy and Gesellschaften und in London by David C.M. Bell, Chairman, and Alan C. Miller, Deputy Chairman. Shareholders of The Financial Times (Europe) GmbH are: The Financial Times (Europe) Ltd, London and F.T. (Germany) Advertising Ltd, London. Shareholders of the above mentioned two companies in The Financial Times Limited, Number One Southwark Bridge, London SE1 9EL.
GERMANY: Responsible for Advertising: Colin A. Kennedy. Printer: DVM Druck-Vertriebs und Marketing GmbH, Adminal-Rosenstraße 3a, 60528 Nonnenberg (owned by Hiltner International), ISSN 0147-7363. Responsible Editor: Richard Lambert, of The Financial Times Limited, Number One Southwark Bridge, London SE1 9EL.
FRANCE: Publishing Director: D. Good, 168 Rue de Rivoli, F-75004 Paris Cedex 01. Telephone: (01) 4297-0621. Fax: (01) 4297-0629. Printer: S.A. Nord Edita, 5271 Rue de Caen, F-93100 Rosny-sous-Bois. Code A. Editor: Richard Lambert, ISSN 1146-2753. Commissionaire: No 67680.
SWEDEN: Responsible Publisher: Hugh Carnegie 468 616 008. Printer: A3 Kristina. Telephone: +46 8 4077. Fax: +46 8 4077. Code A. Editor: Richard Lambert, of The Financial Times Limited, Number One Southwark Bridge, London SE1 9EL.

سكنا من الاموال

EUROPEAN NEWS DIGEST

Fresh effort to solve fish row

Talks between the EU and Canada resumed in Brussels yesterday to try to settle the dispute over fishing rights in grounds outside Canada's 200-mile limit. Talks could continue over the weekend, a Commission official said, in an effort to conclude a deal that Mrs Emma Bonino, fisheries commissioner, would present to EU foreign ministers on Monday.

The negotiators are expected to try to bridge remaining differences over allocation of a 27,000 tonne quota for Greenland halibut, also known as turbot. Spain has rejected a proposed formula which would give the EU and Canada 10,000 tonnes each of the total quota. Madrid also opposes the idea of a "box" or fishing area in northern international waters where Canadian fishermen alone would be allowed to fish. Under this proposal Canada could take 7,000 tonnes from the "box" and 3,000 tonnes in southern waters.

The two sides also still have to resolve the question of how much fish Spain has already netted this year. Canada asserts that Spanish trawlers have fished 10,000 tonnes while the EU puts the figure at 7,000. *Caroline Southey, Brussels*

Worker unrest in Russia

Industrial unrest is rippling across Russia as coal miners and Aeroflot flight crews stage industrial action to demand back pay and an improvement in working conditions.

The miners on Sakhalin Island in Russia's far east yesterday staged sit-in protests demanding the government settle their outstanding wages bill. Coal miners in nearby Primorsky Krai are also staging intermittent industrial action and hunger strikes over back pay.

Aeroflot's flight crews said they would call three one-day strikes starting today. Trade union leaders demanded the sacking of Mr Vladimir Tikhonov, the airline's general director, and an improvement in management of the partly privatised airline. Mr Tikhonov promised to take "harsh measures" to counter the strike. *John Thornhill, Moscow*

EU showdown over energy

Mr Karel Van Miert, European Union commissioner responsible for competition policy, yesterday renewed a threat to break up the EU's highly regulated energy market using special powers that allow the Commission in Brussels to make laws without the agreement of member states.

After three years of deadlock, the Commission wants to speed up progress on liberalising the energy sector, which is dominated in most member states by state monopolies.

The Commission has submitted proposals to the council of ministers establishing common rules to allow third party access to electricity and gas networks and to separate power companies' accounts for production, distribution and transport. Mr Van Miert said unless the proposals were accepted, the Commission would be forced to take action under Article 90 of the Rome treaty, which is unpopular with member states as it allows the Commission to override their objections. *Brenda Tucker, Luxembourg*

Brussels probes floppy disks

The European Commission said yesterday it was investigating charges that imports of floppy computer disks from Canada, Indonesia, Macao and Thailand were being dumped in the European Union.

The probe followed a complaint last September by the Committee of European Diskette Manufacturers that imports of the 3.5-inch disks had increased "significantly" at prices which were harming EU producers. *Reuter, Brussels*

French industrial output up

French industrial production rose by 0.2 per cent in January, leaving output 5.6 per cent higher than in January 1994, according to seasonally adjusted data from the national statistics office, INSEE. Manufacturing output fell 1.8 per cent but this was offset by a 7.2 per cent increase in energy production. Electricity exports were particularly strong. Semi-finished goods output fell 3.8 per cent, partly due to severe flooding in parts of the country that closed factories. *Reuter, Paris*

OBITUARY

Lucy Dicker dies in ski accident

Lucy Dicker (left), friend and companion of Arnold Wilson, Financial Times skiing correspondent, died in an accident in the French Alps on Thursday. Peter Hardy, editor of the Good Skiing guide, was badly injured. Lucy, who was 41, last year completed the FT round the world skiing expedition with Arnold. They skied every day in 1994, in resorts throughout the world. The accident happened on the last run of their final trip this season on a testing run of 7,000 vertical feet of steep untracked terrain. Lucy was one of a party of nine, including four journalists and a guide. They were skiing from La Grave near Les Deux Alpes when the accident happened.

Lucy left her job as general manager (UK) of Touralp, the former ski tour operator, at the end of 1993, to join Arnold on the FT expedition. She took a prominent part in organising the expedition and obtaining sponsorship, as well as skiing with him. "Skiing had become a great passion for her," Arnold said. Lucy and Arnold have been living in France this year, writing a book about their adventures during the expedition. This was described in a series of articles in the Weekend FT last year.

BEAR DOWN ON ENVELOPE COSTS



NO BULL FROM MOSSBLATT
ring 0171 253 8312 for our Price List

Russian bankers present companies plan

By Chrystie Freeland
in Moscow

A consortium of Russian bankers yesterday presented the Russian government with their proposal to take over the management of key state-owned companies in exchange for extending a loan to the state.

Opponents of the bankers' plan fear that it will concentrate too much power in the hands of a clique of financiers and state officials and could lead to the sell-off of Russia's most precious assets at discount prices.

But its supporters argue that it is the most realistic way of swiftly raising revenues for the government and is preferable to keeping the companies under the direct control of the state.

A Russian banker in the consortium said the bankers' proposal does not include a list of the state enterprises the banks hope to take over, nor does it mention a specific sum of money which the consortium would be prepared to lend the government.

"These things must be decided after the negotiating table," the banker said. "We bankers have acted swiftly,

now it's up to the government to respond."

However, after a week of fierce jockeying among Moscow financiers seeking to be included within the potentially all-powerful consortium, the written proposal does signal the consolidation of a powerful inner circle of Russia's "big seven" banks. They include Imperial, partially owned by Gazprom, Russia's

monopoly gas export company which was once run by Mr Victor Chernomyrdin, the Russian prime minister, Oneximbank, Inkombank, Menatep and Stolichny.

Earlier this week a group of leading opposition politicians in the parliament, including Mr Gennady Zyuganov, the head of the communist party, and Mr Vladimir Zhirinovskiy, head of Russia's extreme

nationalists, sent an open letter to the president voicing their opposition to the scheme.

But some leading liberal politicians have come out in favour of the plan. One prominent liberal parliamentarian explained that "we face a choice between somewhat shady but Russian-owned banks and western investors. I prefer that our own bankers run the Russian economy."

Natural gas fuels Kiev's row with Moscow

By Chrystie Freeland
in Moscow and Matthew Kaminski in Kiev

Mr Oleksandr Moroz, the speaker of the Ukrainian parliament, warned this week that Gazprom, Russia's monopoly gas exporter, is again on the verge of cutting off supplies to Ukraine. The warning was swiftly denied by Gazprom authorities in Moscow, but the controversy drew attention to an issue which has bedevilled Ukrainian-Russian relations for the past three years and hobbled the economic development of both countries: natural gas.

A deal reached last month converting part of Ukraine's debt to Gazprom into government bonds has transformed

the conflict over natural gas into a broader battle over Ukraine's economic sovereignty. Gazprom hopes to swap the debt for a controlling stake in 15 key Ukrainian enterprises but Ukrainian authorities, while eager to "normalise" their relations with Russia and one of its leading companies, are wary of ceding too much economic control to Moscow.

The issue has become a critical strategic battleground between Moscow and Kiev. Gazprom, once run by Mr Victor Chernomyrdin, now the Russian prime minister, has intimate ties with the Russian government and has been a key instrument in the Kremlin's pragmatic new foreign policy of seeking economic control over territories over which it has lost political and military suzerainty. In addition to Ukraine, Gazprom is angling for stakes in key enterprises in neighbouring Moldova.

Gas has loomed large in Ukrainian-Russian relations because Soviet central planners inadvertently created a situation which has allowed the two, often hostile, Slavic super powers to blackmail one another. As the supplier of the lion's share of Ukraine's natural gas, Russia can simply cut off supplies to Ukraine.

But Russia's willingness to resort to this expedient has been restricted by its own dependence on Ukraine. More than 95 per cent of Russian natural gas exports to the west run through Ukrainian pipelines, and whenever supplies to

Ukraine have been cut, Ukrainian authorities have tended to share the pain with Russia's western customers.

In practice this mutual dependence has meant that Gazprom has continued to supply Ukraine with natural gas, despite Ukraine's repeated failure to pay its debts to the company. But, last month, under pressure from the International Monetary Fund, which is extending generous aid to both countries, and amid efforts to normalise Ukrainian-Russian relations, Kiev and Moscow reached a deal converting \$1.4bn (£859m) of Ukraine's debt to Gazprom into government bonds.

Gazprom is now hoping to convert these bonds into stakes of between 35 and 50 per

cent in key Ukrainian enterprises, including the crucial gas pipeline and two gas reservoirs. But while Ukrainian officials are willing to work out a debt for equity swap, they are adamant that Gazprom should not be allowed to take a controlling stake.

Mr Evheny Filozop, an official at the Ukrainian State Property Fund responsible for working out the deal, says Gazprom's stake will be limited to between 15 and 20 per cent, even though "they want more". "They won't get a controlling interest," Mr Filozop said, "but we won't oppose RAO Gazprom participating in privatisation."

Moreover, Mr Stepan Yaloveha, spokesman for the Ukrainian State Committee on Oil and Gas, said that Gazprom would not be allowed into the company it desires most: the enterprise which owns the 33,000km of pipelines running through Ukraine.

The gas issue has forced Mr Leonid Kuchma, the Ukrainian president, to find a delicate balance between his administration's twin goals: furthering economic reforms and protecting Ukraine's independence.

In his state of the union address this week, Mr Kuchma warned that "the issue of debt cannot be used to undercut our independence".

But he also told Ukrainian industrial and domestic consumers it was time to adapt to the harsh realities of the market and stop using gas Ukrainians are unable to pay for.

ONE OF THE WORLD'S LARGEST LIFE ASSURANCE COMPANIES

Serving the British Isles from our custom-built Head Office and 77 offices nationwide.

£48,000 MILLION UNDER MANAGEMENT

Funds under management total more than the current market value of Barclays Bank, Marks & Spencer, Unilever and British Airways put together.

£6,000,000 PAID OUT EVERY DAY

On average we pay £6,000,000 every single day of the year to our policyholders, beneficiaries and depositors.

THE HIGHEST POSSIBLE RATINGS

Leading credit rating agencies have awarded us their highest possible ratings - AAA from Standard and Poor's for claims paying ability, A++ from A M Best & Co for financial strength.

LEADERS IN PENSIONS

Our Confederation Pensions Investment subsidiaries are major performers in managing commercial and institutional funds with over 1200 corporate clients and £4,000 million under management. Our personal pensions feature consistently in Money Management magazine's poll of leading performers; we are rarely out of the top 3 suppliers of compulsory purchase annuities.



SUN BANK As one of the very few life assurance companies to own our own bank, we offer clients market leading investment accounts through our banking subsidiary and Sun Bank (Jersey) both on and offshore.

UNIT TRUSTS AND PEPS - A FAST GROWING PART OF OUR BUSINESS

In a year when the market remained static, Sun Life of Canada Unit Managers returned 20% growth with a number of funds in the 1st quartile for investment performance.

PEOPLE BUY FROM PEOPLE

In this day and age people still prefer the personal touch but they can only buy with confidence from a sales consultant whose knowledge, honesty and trustworthiness is part of the culture. Certainly our customers tell us it's true - 9 out of 10 say they would buy from us again, and 8 out of 10 say they would recommend us to friends and relatives.

LEADERS IN GROUP COVER

We are indisputable leaders in employee benefits assurance. Over 4000 companies put their faith in us for the life assurance and permanent health insurance of over a million employees.

AWARD WINNING PRODUCTS AND PERFORMANCE

Probably the widest range of products and services in the UK market, including our market leading TESSA. Both our investment team and Sun Bank mortgage team achieve award winning performances year after year.

OUR CASE FOR YOUR FUTURE.

Consistent growth since we opened in the British Isles in 1893; our life assurance, bank and fund management operations are backed by a highly competitive and successful investment track record. With probably the widest range of products and services in the market, Sun Life of Canada in little over 100 years has become the complete financial services group.

Our success is built on the principle of personal service and a reputation for probity through our 1500

strong highly trained, directly employed sales team, who connect our customers' needs and opportunities with our vast resources and ability to help.

As people's lives have become more sophisticated, the Sun Life of Canada reputation for integrity and fair trading has become more, not less important.

That's why we will continue to present our case for your security in this century and beyond on a personal basis.

Sun Life of Canada
Our Strength is your Security

BASING VIEW, BASINGSTOKE, HAMPSHIRE RG21 4DZ. TELEPHONE: (01256) 841414. FAX: (01256) 460067.
Sun Life Assurance Company of Canada incorporated in Canada in 1865 as a Limited Company. A Mutual Company since 1962. Regulated by the Personal Investment Authority.
A Member of the Association of British Insurers

NEWS: INTERNATIONAL

Japan's old guard forms pact for local polls

By William Dawkins in Tokyo

Japan's mainstream political parties have formed a pact to challenge popular political independents in tomorrow's local elections, marking a pause in the reform of the country's power structure.

The three government coalition partners have agreed to suspend differences with the main opposition party and back joint candidates in seven of the 13 prefectural governorships up for election this weekend.

This is a wider than usual electoral pact by the standards of local Japanese politics, and a consequence of both sides' disarray. They will fight each other in only four prefectures,

with a free vote in the remaining two. Voters will also select 43 of Japan's 47 prefectural assemblies on Sunday.

Prefecture polls show that political independents have attracted strong support against the former bureaucrats, symbols of the old style of collusive politics, standing for election to the governorships of Tokyo and Osaka, the second largest city.

A record number of voters profess to support no party, 64 per cent in Tokyo and 52 per cent in Osaka according to Kyodo news agency. This is a mark of the public's weariness with the past two years of political upheaval, say political analysts.

The frontrunner in Tokyo is

Mr Yukio Aoshima, a novelist and former television personality, famous for once having gone on hunger strike to demand the resignation of Mr Shin Kanemaru, one-time political godfather of the Liberal Democratic party, now on trial for alleged tax evasion.

Mr Aoshima has 14 per cent support, according to the Kyodo poll, slightly ahead of the LDP's candidate Mr Nobuo Ishihara, former deputy chief cabinet secretary, with 10.9 per cent.

Mr Ishihara is a powerful example of the old guard, having served as the most senior member of the public administration - in charge of the prime minister's office - under seven governments. The well-

funded and professional electoral machine at Mr Ishihara's disposal, plus the guaranteed vote of LDP supporters, may well defeat Mr Aoshima, say political analysts.

The main opposition group, the National Frontier party, was unable to agree on a candidate for Tokyo and has told its supporters to vote for whom they like. However, the independent vote is fragmented among five non-partisan candidates.

Osaka faces a similar battle between an independent and the old guard, though the independent vote is more likely to win than in Tokyo.

He is Mr Noku "Knock" Yokoyama, a former professional comedian, who is stand-

ing, with 20.4 per cent in the polls, against Mr Takuya Hirano, a former bureaucrat with backing from the LDP and NFP, lagging with 10.1 per cent. That gap may be too large to close, believes Mr Kenzo Uchida, professor in politics at Tokai University.

After Tokyo and Osaka, the most important contest will be in Iwate, northern Japan, the home region of Mr Ichiro Ozawa, who as the NFP's strategic mastermind is the most influential opposition politician by far. The LDP and NFP are backing opposing candidates in Iwate, the outcome of which will clearly affect Mr Ozawa's future.

Beyond that, the local poll has limited national impact.

The Social Democratic party, the LDP's junior coalition partner, is widely expected to do badly. If it does even worse than expected, this may strengthen the hand of some in the LDP, who would like to drop the SDP and push for a general election this summer in the hope of regaining the outright parliamentary majority it held for the 33 years until 1993.

That option was floated a few days ago by Mr Keizo Obuchi, LDP vice president who has emerged in recent months as the main power behind the scenes there. However, the LDP is divided over who should succeed the SDP's Mr Yasuhiro Murayama as prime minister.

IMF boost for Argentina as cash disbursed

By David Pilling in Buenos Aires

Argentina yesterday received a boost of confidence with the arrival of \$435m of IMF money, the first instalment of a total of \$2.8bn that the Fund will lend the country this year.

A further \$120m is due to arrive next week, with the remaining \$120m to be disbursed by three subsequent tranches during 1995. In confirming its support for Argentina, the IMF said "the country's economic fundamentals are very healthy" and predicted growth this year of 2.9 per cent with annual inflation of 3.6 per cent.

The money, part of a total \$700m external financing package arranged by Argentina with several multilateral and private institutions, will be used to reorganise the fragile banking sector and to build up a fiscal surplus. The government hopes the cash will banish all fears of a possible default on the more than \$700m of public debt.

Argentina has been the Latin American economy most affected by loss of confidence after Mexico's devaluation last December. About \$70m has been withdrawn from the banking sector - nearly 15 per cent of total deposits - and several private-sector institutions have gone bust. Until the announcement of IMF assistance in March, the Buenos Aires stock exchange had shed half its value, but has since bounced back.

In a sign that confidence may gradually be returning, central bank liquid reserves have risen by \$150m since April 30, reaching \$10.25m by April 4 - the last available figure - after months of steady decline.

However, attempts to shore



Cavallo: 'a fair system that protects the saver'

up public confidence in the banking sector with the establishment of a deposit guarantee scheme have stalled because of opposition from larger, healthier banks. These institutions are resisting central bank pressure to contribute to the scheme, arguing that they should not be asked to subsidise weaker, ill-managed institutions.

According to one foreign banker, some big Argentine banks have proposed the deposit guarantee system be implemented only after the successful closure of several non-viable institutions. The banker estimated 20 banks could no longer meet requests for deposit withdrawals. But the government is unlikely to oversee the closure of so many banks just before presidential elections in mid-May.

Mr Domingo Cavallo, economy minister, hinted at the delicacy of the situation by saying: "We want a scheme that is not a subsidy by well-managed banks of badly managed ones, but rather a fair system that protects the saver, not to prop up bankers, but to re-establish credit."

Hong Kong handover talks end on gloomy note

By Simon Holberton in Hong Kong

Britain is concerned that Hong Kong will pass to China in 1997 with an incomplete legal system, demoralised civil service and police force, and inadequate provisions for the free movement of Hong Kong residents.

This gloomy prognosis for one of Asia's most vibrant economies emerged yesterday as talks ended yesterday between Britain and China on Hong Kong's future ground to a virtual standstill.

The lack of progress in the business

of the Joint Liaison Group (JLG) - the Sino-British body dealing with the handover - is likely to cast a pall over a meeting in New York in two weeks between Mr Douglas Hurd, Britain's foreign secretary, and his Chinese counterpart Mr Qian Qichen.

With little more than two years before Hong Kong reverts to Chinese sovereignty, a senior Hong Kong government official said no signs emerged from the talks that Beijing was interested in co-operation, outside defence and other such areas. "They seem to have set their course and are going for it," he said.

In summing up three days of talks, Mr Hugh Davies, Britain's chief JLG representative, implied that China's unwillingness to reach agreement was putting at risk the elements of Hong Kong's social structure which make it an attractive place in which to live and do business. "We are now facing increasingly urgent questions from the community and overseas about what is being done to perpetuate the rule of law here," he said.

Mr Davies cited China's refusal to specify its objections to a proposed Hong Kong law which would establish a court of final appeal in the colony before 1997. Separately yesterday, Governor Chris Patten said "China's attachment to the rule of law" in Hong Kong would be questioned if it blocked the establishment of the court in the colony.

The two sides agreed in 1991 to establish the court before the handover but China, which has had a copy of the bill for nearly a year, appears less committed to the agreement. Mr Davies said more talks would be held towards the end of this month.

But as Mr Patten hinted yesterday, time for talking is running out - code for introducing the bill into the Legis-

lative Council, Hong Kong's law-making body, without China's blessing.

Mr Zhou Jihua, Mr Davies' opposite number, charged that Britain had breached past agreements by making changes to Hong Kong's law. On the issue of the court, he said it was a matter for Britain and China and "should in no way be made subject to a third party".

Earlier this week a senior mainland official made it clear that if Britain proceeded to establish the court without Beijing's approval then the court would not transit 1997.

Building a new HK in the north

Mayor Bo of Dalian outlines his vision of the Chinese port city's bustling future to Tony Walker



China Primer

Mr Bo Xilai, mayor of Dalian, could not be accused of thinking small. His ambitions for the northern port city of 5m people match those of fellow mayors in southern China's boom-towns of Shanghai and Guangzhou. Indeed, Mayor Bo likes to conjure visions of Dalian as the "Hong Kong of north China", though it has a long way to go to become a trading and financial centre of international weight.

"I hope our city can take full advantage of its location as a natural seaport and become a key city in northern China - in terms of finance, commerce, trade, tourism and information industries," he says.

Mayor Bo, 45, represents the new breed of Chinese official: well groomed, well connected (his father, Mr Bo Yibo, marched with Mao in the revolution and is a former finance minister), well educated and internationalist in outlook. But in spite of the rapid changes under way in China his job brings its share of frustrations. A credit squeeze by the central government is slowing eco-

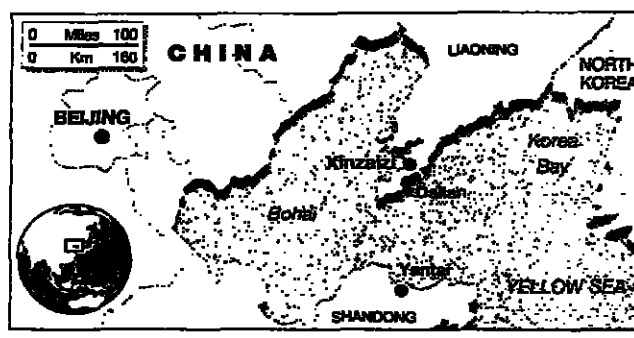
nomics activity and the port city has lost some of its lustre as an investment destination. Japanese companies such as Toshiba and Canon, which had poured millions of dollars into a new investment zone north of Dalian, are hesitating before committing themselves to further expansion. Inflation, labour disputes, and an uncertain regulatory environment are taking a toll.

But Mayor Bo is convinced that Dalian's natural advantages as the "gateway" to China's north-east outweigh what he regards as short-term problems resulting from policies aimed at curbing inflation.

"In Dalian," he says, "we talk about how to play the role of a window for the three northern provinces (Liaoning, Jilin and Heilongjiang) which are China's most important base for heavy industries and natural resources."

But Dalian's linkage with China's north-east industrial heartland is both a blessing and a curse, since state industries in such cities as Anshan, home of the country's biggest steelworks, and Shenyang and Harbin, are among the country's most depressed.

Dalian's further progress both as an entrepôt and finan-



cial hub depends to an extent on a revitalised north-east and this is proving a slow and painful process.

But the city is far from standing still. The skyline is dominated by high-rise buildings under construction, plans are afoot to more than double the size of the port by adding capacity of 80m tonnes a year, and efforts are being made to further enliven the financial sector.

China's banks appear convinced that Dalian will assume greater importance. The Bank of China, Citic Industrial Bank and Everbright Bank are among a number of Chinese financial institutions which have constructed large premises in Dalian itself and in its Economic and Technological Development Zone.

Mayor Bo is also keen to promote Dalian as an all-round mercantile centre complete with active financial markets. He notes approvingly that turnover in the Dalian grain

futures market reached Yn120bn (\$2.7m) last year - one of the biggest such markets in the country.

But Dalian lags behind Shanghai and Guangzhou in its ability to attract foreign financial institutions. At latest count, there were eight foreign-funded branches in Dalian and 19 foreign banks with representative offices. Mr Bo looks forward to the day when restrictions are lifted on foreign banks engaging in local currency business.

Dalian has been relatively successful in attracting foreign investment, but less than southern Chinese cities. By the end of 1994, pledged foreign capital had reached \$6.6bn (\$4.1bn) with about \$2bn having been used. The biggest foreign investor is Total, the French oil company, which is investing in a 300,000 tonne oil refinery.

Among Dalian's geographic advantages, apart from being a gateway to the north-east, is



Mayor Bo Xilai: new breed of Chinese official

its key location at the entrance to the Bohai Sea, which is bounded by some of China's largest cities, such as Tianjin. The central government has set as a priority the development of the "Bohai rim" to balance economic progress in southern China.

The "rim" encompasses 690,000 sq km in the provinces of Shandong, Shanxi, Hebei and Liaoning, and the municipalities of Tianjin and Beijing. Mayor Bo says development of the Bohai rim as an entity in itself, although at a preliminary stage, will obviously be good for Dalian.

He mentions that plans to

improve communications within the region include a ship-rail connection between Dalian and Yantai. He dismisses with a laugh plans to build a tunnel under the Bohai to connect Dalian with Shandong.

Someone even suggested we build a dike across the Bohai and turn the bay into the world's biggest prawn breeding farm," he said.

Mayor Bo's vision for Dalian is not to compete with Shanghai in size, but in quality of services and performance. "My goal is to be the best, not the largest - since big family, big problem."



BUSINESS INFORMATION

THE RIGHT BUSINESS INFORMATION

In the age of information, the hard thing is to find the right information; key company information that's relevant and to the point.

FT McCarthy is your vital source. Our network can provide comprehensive information on the exact companies and sectors that interest you. Every day we gather information from the world's top business publications - it would take you all day just to read them - sort it, and store it. You can access just what you need - by company, by industry, by country or by market. Industry speculation as well as the hard facts.

Access is on CD-ROM, online or hard copy, so it's easy to be on the right side with FT McCarthy. Start today by sending the coupon.

FT McCarthy. The right business information

Complete this coupon and send it to: Michael Ridgway, FT McCarthy, Financial Times Information, Fitzroy House, 13-17 Edgworth Street, London EC2A 4DL. Telephone: 0171-925 7953. Please send me details of FT McCarthy.

Name _____
Company _____
Address _____
Country _____ Telephone _____

Fujimori fights for victory in first round of election

Sally Bowen assesses the competition between the incumbent president and his rival, Pérez de Cuéllar

This week marked the third anniversary of President Alberto Fujimori's dissolution of a congress he considered hostile, and the suspension of a constitution he later rewrote to permit the re-election of an incumbent president.

If Mr Fujimori wins tomorrow's presidential election, it would be the first time in 67 years that a Peruvian president has been elected for a second term. Peruvians may well complain that, for Mr Fujimori, the means have justified the ends.

Follsters are divided on the outcome. Some foresee president Fujimori winning a further five-year term in tomorrow's first-round ballot; he needs a 50 per cent share of votes to secure re-election.

Other pollsters say the president's support is dwindling and predict his closest challenger, former UN secretary-general Javier Pérez de Cuéllar, will take him to a second round run-off, to be held in several weeks.

Six weeks ago the prospect of a second round ballot, looked remote. President Fujimori's approval ratings, consistently high throughout his presidency, had been further boosted by the wave of patriotic sentiment which accompanied February's border conflict with Ecuador.

Since then his credibility has eroded. An expected "victory" over Ecuador has become an indecisive stalemate. The



Fujimori: appeal to the poor

handling of the conflict by Mr Fujimori and his close military and intelligence allies has been subjected to uncomfortable questioning.

And the so-called "Twins effect" - the debate over whether the president lied to the nation about the Ecuador conflict - has given Peru's ragged political opposition further ammunition.

Mr Fujimori, meanwhile, is campaigning on his record. Since 1990, he has successfully tackled inflation, tamed two guerrilla movements, including the Shining Path, re-established the country's international financial credibility and presided over the continent's fastest-growing economy.

A self-confessed authoritarian and enthusiastic manager, Mr Fujimori's strength lies in reaching out to

the poor. Most days of the week, he escapes his government palace for the shanty towns or any one of Peru's hundreds of thousands of remote rural communities, dropping in by helicopter with gifts, advice and promises of new schools, roads and health posts.

Thanks to better fiscal management and international assistance, many of these promises have become reality. The 74-year-old Mr Pérez de Cuéllar has proved an unexpectedly committed campaigner. His 10 years at the head of the UN, he says, has toughened him up physically and accustomed him to the sort of verbal attack and criticism diplomats rarely encounter.

In the past two weeks, he has fulfilled a packed schedule of visits to Peru's interior. His public meetings in the main squares of big provincial cities such as Arequipa and Cuzco have rekindled, somewhat late in the day, the embers of opposition to Mr Fujimori. Mr Pérez de Cuéllar has pledged to lead Peru back to full democracy, reform the judiciary and to create millions of jobs.

Even if Mr Fujimori secures a first-round victory on Sunday, it seems clear his ruling alliance of "technocrats and independents" will be denied a working majority in the new 120-seat congress.

INTERNATIONAL NEWS DIGEST

China's foreign investment falls

Contracted foreign investment in China was down 26 per cent in 1994 to \$82.6bn (\$50.7m) after the boom of the previous year. But utilised investment last year was a record \$93.8bn, reflecting the surge in commitments made in 1992-1993.

Investment from Hong Kong, Macao and Taiwan was well down last year on the year before, but investors from those countries still led the field. Businessmen from Hong Kong and Macao poured \$20.5bn into China, followed by Taiwan with investments of \$3.9bn, US \$2.4bn and Japan \$2.06bn.

Among factors causing the slowdown was a government-imposed credit squeeze in mid-1993 which severely affected real estate projects. Hong Kong businesses had invested heavily in property. Tony Walker, Beijing

Satan program in demand

Satan, the controversial software program that identifies security weaknesses in computers, has been in strong demand since it made its debut on the Internet this week. Although the free program was made available on at least 26 Internet sites around the world, eager computer users were forced to wait for hours in data traffic queues to get the program.

Computer security experts fear the public release of Satan will lead to a rash of computer break-ins. So far, however, there have been no reports of problems.

It could be weeks before the impact of Satan becomes known, said Donn Parker, a computer security expert at SRI International, a California high technology research group. Computer hackers are unlikely to make their exploits public, and the vast majority of computer systems managers will not even know if their computers have been probed by Satan, he added. At least two new programs designed to alert computer systems managers to a "Satan attack" are being offered on the Internet. Louise Kahoe, San Francisco

Algeria set for debt agreement

Algeria and its commercial bank creditors looked set to reach agreement on Friday on rescheduling the country's \$4.5bn (\$2.7bn) commercial debt. The deal would not include new credits for Algeria but would extend maturities due between March 1994 and December 1997 over about 15 years. Algeria has not made principal payments on its commercial debt for more than a year.

The agreement is expected to meet Algiers' main demand and include rescheduling of most of the \$1.5m portion of the \$4.5bn commercial debt which bankers, in 1991, had "reprofiled", a process similar to rescheduling. Principal payments on the \$1.5m portion, however, will be stretched out over a shorter period than the rest of the debt. Roula Khalaf, London

Haitian minister will not resign

Mr Mondesir Beaumont, Haiti's interior minister, has rejected claims by US investigators linking him to the murder last week of Mrs Mireille Durocher-Bertin, a critic of President Jean-Bertrand Aristide. Mr Beaumont said he would not resign. However, he is one of several ministers who are likely to be replaced in a cabinet reshuffle planned by Mr Aristide. Mrs Mireille Durocher-Bertin and a companion were shot dead while driving through Port-au-Prince, Haiti's capital. Officers from the US Federal Bureau of Investigation were invited by the Haitian government to assist with the murder investigation.

Mr Aristide has been criticised in Haiti and in the US for not dismissing Mr Beaumont. Carole James, Kingston

Malaysia reveals election dates

A general election will be held in Malaysia on April 24 and 25. The country's election commission announced yesterday that nominations for the election would close on April 15 when campaigning for 192 parliamentary seats and 394 state seats would begin. Opposition parties protested about the short campaign period - the minimum allowed under Malaysia's election regulations. The 14-member national front coalition government led by Dr Mahathir Mohamad, prime minister, is expected to retain its two thirds majority in parliament. Kieran Cooke, Kuala Lumpur

سكرا من الامم

Positions are to 1st April 1995 and are on an offer-to-offer US Dollar basis, inclusive of reinvested income, net of withholding taxes (source: Micropal). Past performance is not necessarily a guide to future performance. The value of an investment and the income from it can go down as well as up.

Government attacked on asylum rejections

By Edward Mortimer
in London

Applications for political asylum in Britain are routinely rejected by the government's Home Office on trivial or manifestly unreasonable grounds, Asylum Aid, a leading refugee advice agency, said yesterday. Thousands of people are therefore put "at risk of unfair deportation, with potentially tragic consequences", it added.

Asylum Aid said the Home Office belittles the sufferings of people who have been tortured or imprisoned.

It claims the Home Office also:

- Ignores or misrepresents information presented by asylum seekers.
- Makes statements about their experiences and fears which "fly in the face of humanity and common sense".
- Demands standards of evidence "way beyond the reach of people who have fled for their lives".
- Handles asylum claims in a "careless and slapdash" manner.

Asylum Aid cited refusals where evidence of maltreatment in applicant's home countries was brushed aside or their credibility questioned because of minor inconsistencies.

A Zairean refugee, for instance, was told by a British government official: "The secretary of state considers your account of crossing the Zaire River by canoe at night to be totally implausible. The secretary of state is aware of the size, strength and considerable dangers posed by the river such as shifting sandbanks and crocodiles." When challenged, the Home Office could provide no evidence of crocodile population in that part of the river.

It withdrew the statement and "produced a completely different set of reasons" for refusing the claim.

"In reality," says the report, "canoes are a frequent means of transport across the River Zaire, as the Home Office could easily have established."

A Croat who had fled from Sarajevo after receiving anonymous threatening phone calls was told: "The secretary of state notes that none of these threats were carried out."

Other applicants were told that having left their country using their own passport

undermined their claim to be genuine refugees, although the 1987 Immigration (Carriers Liability) Act prevents those without proper documents from even boarding aircraft or ships for the UK. The implication of many such decisions, the report says, is "that if a person is in a position to claim to be a refugee, they cannot in fact be one."

The 1993 Asylum and Immigration Appeals Act brought a spectacular rise in the proportion of asylum claims refused, from 14 per cent in the six months before it came into force to 76 per cent in

the first nine months of 1994. Ministers have claimed this shows a high percentage of claims are fraudulent.

The Asylum Aid report says the act has failed in its aim of creating a "fast track" system for dealing with asylum claims.

The overall number of people awaiting a decision increased from 42,170 in March 1993 to 52,780 in September 1994, and the appeals system has become overloaded, with appellants having to wait on average over three months even to have a date announced for their appeal.

Rights to underwrite may be auctioned

By Ralph Atkins,
Insurance Correspondent

Lloyd's of London yesterday moved closer to overhauling its traditional method of raising capital by outlining proposals for auctioning rights to join insurance syndicates.

The plan would allow a limited extent of "rights to underwrite" to be priced and traded rather than allocated purely at the discretion of Lloyd's agents.

If implemented, the scheme could form an important part of attempts at Lloyd's to attract funds from a new generation of investors. From this year, buying a stake in a Lloyd's syndicate would become more akin to buying a tradable share in a company. That would mark a further

LLOYD'S
LLOYD'S OF LONDON

reform of Lloyd's centuries-old reliance on the personal contacts of agents acting for Names.

A main complaint of loss-making Names - individuals whose assets have traditionally supported the insurance market - is that they were placed on the worst performing syndicates while Lloyd's insiders or those with better connections continued to make profits.

A reminder of the cost came yesterday when it emerged that about 11,000 Names on syndicates previously managed by the Merrett Managing Agency face an additional £180m (\$288m) cash call as a result of further losses on policies they underwrote. Total losses for the 11 syndicates involved reached £984m at the end of 1994 largely because of pollution and asbestos liabilities.

Pricing "syndicate participations" would make the allocation of capital at Lloyd's more transparent, although it is unclear how many syndicates would use the new scheme.

It would also end the resentment of Names towards limited-liability corporate investors who, in the past two years, have used their financial muscle to take up much of the extra underwriting capacity arising as Names quit the market. Names who wanted to continue underwriting would be able to compete by bidding against the corporates.

Engineering sector continues to weaken Consumer spending falters

Scotland's success masks problems

There is growing concern in Scotland that almost all the growth in the economy is in one sector: electronics. The Fraser of Allander Institute, Scotland's best known economic forecasting body, is not noted for looking on the bright side.

But the worry it expressed this week about the way in which the economy is developing has been echoed in public by more cheerful observers.

The institute pointed out that although manufacturing output in Scotland is growing more quickly than in the UK as a whole, almost all the expansion is in electronics while most other sectors show little growth or are declining.

The personal computers, microchips and mobile telephones from local electronics producers make up 4 per cent of Scotland's gross domestic product (GDP) and more than 40 per cent of its exports. The sector's importance shows how much the Scottish economy has changed.

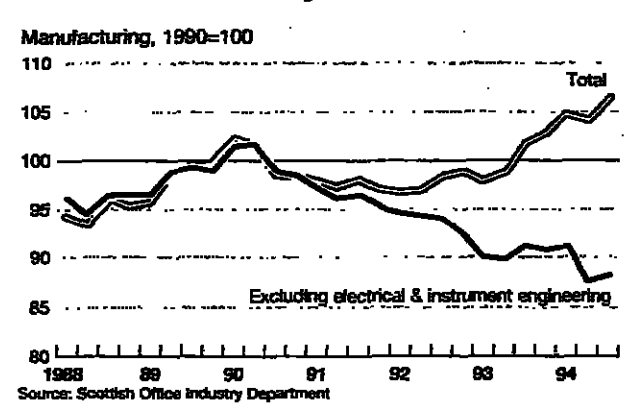
Whereas Scotland experienced negative economic growth in the recessions of the mid 1970s and the early 1980s, in the recession of 1990-92 its GDP continued to grow by about 1 per cent a year while the UK as a whole suffered negative growth.

Unlike previous downturns, the economy was not dragged down by heavy industry because its steel, shipbuilding and heavy engineering industries are a shadow of what they were. The economy also benefited from expansion in North Sea oil activity.

The main reason for the mildness of the recession in Scotland is that the preceding boom was much less intense. Scottish homeowners, consum-

ers and companies took on much less debt than their counterparts in England.

The most striking sign that the Scottish economy has improved shows in unemployment. In late 1991, the jobless rate in Scotland fell below the UK average for the first time since the data became available in the 1920s. The figure is still just beneath the UK average, although at 8.3 per cent.



Since 1992, the Scottish economy has grown by about 2 per cent a year, but was probably outpaced by the UK as a whole last year.

Mr Jeremy Peat, chief economist of Royal Bank of Scotland, said this was not surprising because "Scotland had less scope to bounce back and UK growth was very rapid."

Scotland's upturn is led by manufactured exports, predominantly electronics and whisky. The Fraser institute believes the Scottish economy will grow

by 3.5 per cent this year, but does not expect employment growth to keep pace.

Like the rest of Britain there is little sign that the Scots are enjoying their modest economic good fortune.

Consumer confidence is low and although people in Scotland have proportionately higher savings than those in the south they show little inclination to spend them in shopping malls.

The institute's concern about electronics is that Scotland would be heavily exposed if there were a cyclical downturn, while it also believes the electronics industry is of much less benefit to the Scottish economy than its size merits.

Although the industry employs 45,000 people, the most favourable estimates suggest that indigenous Scottish companies supply only 14 per cent of the components and sub-assemblies used by the multinationals' plants, which

include IBM, Motorola, Digital, Compaq and AT&T. Instead, the large plants import products, mostly from the Far East.

For example, Compaq was the UK's 13th biggest exporter in 1993, exporting £981m. But after subtracting imports, its net exports were only £18m.

Mr Brian Ashcroft of the institute said that because the involvement of other Scottish businesses with the electronics sector was modest, the "feed-through effect" of its growth on domestic consumer demand was relatively weak.

However there are also some hopeful signs. Multinationals in the electronics industry joined with indigenous companies 2½ years ago to create the Scottish Electronics Forum, which is working to raise the big plants' local content.

While Scotland has in the past 12 months attracted a record level of inward investment - mainly in electronics manufacturing - a crop of promising Scottish electronics companies has emerged.

Callima, a disc drive maker, and Magnus Power, which makes power supply equipment, are to be joined on the London Stock Exchange next week by Vision Group, which makes electronic vision equipment.

Meanwhile, Scottish manufacturing other than electronics has steadily declined. Mechanical engineering saw its output fall 27 per cent since the end of the recession in the second quarter of 1992, while output of textiles has not risen. However the chemical industry has increased output.

Scotland's engineering base continues to weaken. Last month John Brown Engineering made 280 of the 1,600 employees at its Clydebank turbine plant redundant.

Nationalist party inches forward

By James Buxton,
in Edinburgh

The Scottish National Party was among those which benefited from the anti-Conservative mood in Thursday's elections for municipal and regional authorities in Scotland.

The nationalist party, which campaigns for full independence for Scotland in the European Union gained control of three rural councils including one in which a seat in the House of Commons is vacant because of the recent death of a Conservative MP with a small majority. No date has yet been announced for an election to replace him.

The nationalists' share of the vote in Thursday's elections dropped to 26 per cent from its 32 per cent in the elections for the European parliament last year, and they made less impact than they had predicted on strongholds held by Labour, the largest opposition party, in the central belt. They lost control of the West Lothian authority to Labour.

Even so, the nationalists maintained past gains from Labour in some central belt towns. The reason the party's relatively high share of the vote produced only 181 of the 1,161 councillors is that its vote is spread relatively evenly over Scotland.

Mr Alex Salmond, leader of the Scottish National Party, said: "Scottish politics are now more than ever a two-horse race between the SNP and Labour."

Verdict of unlawful killing: The 51 people who died as a result of a collision between the Marchioness riverboat and the motor vessel Bowbelle on the Thames in London August 1989 were unlawfully killed, an inquest jury decided. The people who died were on a night-time disco cruise when the Marchioness was struck. A first inquest was adjourned after four days because the master of the Bowbelle was to be prosecuted for failing to keep a proper lookout. He was acquitted after two juries failed to reach a verdict.

Protestor jailed: A peace protestor was jailed for six months for trespassing on land owned by British Aerospace in protest at the company's sale of Hawk military aircraft to Indonesia. Mr Chris Cole, 31, a member of Active Resistance to the Rook of War, admitted three breaches of a July 1994 order preventing him from entering the company's property or encouraging others to do so.

Fists fly at dance: Fists flew at a pigeon fanciers' dance as a feud between two families erupted, a court near London was told. Two women prepared to fight and pigeon racer and amateur boxer David Hunt, 33, knocked out Stuart Everett, the boyfriend of one of the women, said the prosecution. Mr Hunt was cleared of inflicting grievous bodily harm after stating that one of the women, a writer for *Racing Pigeon* magazine, had approached him waving a beer bottle.

Airlines trade insults over US damages suit

By Michael Skapinker,
Aerospace Correspondent

Such is the bitterness between British Airways and Virgin Atlantic that even a legal settlement provokes another volley of vituperation between them.

No sooner had BA announced late on Thursday that Virgin had agreed to abandon its UK court action against it, than Virgin appeared to accuse BA of talking "rubbish".

What is clear is that the legal battle between the two UK airlines is far from over.

Thursday's announcement has no effect on Virgin's suit against BA in the US, where it is suing for \$35m. Any award by the US courts in Virgin's favour could be trebled to \$97.5m.

The legal battles arose from allegations that BA employees were gaining access to computer information about Virgin flights. Virgin alleged that BA was using the information to persuade its customers to switch to BA.

When the dispute began, BA questioned Virgin's motives in raising the issue, accusing Mr Richard Branson, Virgin's chairman, of using the allega-

tions for publicity purposes. In January 1993, BA paid Mr Branson and Virgin £610,000 in libel damages.

But Mr Branson continued to pursue BA in US and British courts. Virgin scored a significant victory in January when US Judge Miriam Goldman Cedarbaum granted the company permission to proceed with three of its eight claims against BA. An attempt by BA to seek leave to appeal against the judgment was rejected by Judge Cedarbaum last month.

BA said the action against it in the US courts concerned trade and regulatory issues

only. Among issues raised by Virgin, BA said, was that the current bilateral aviation agreement between the US and the UK unfairly discriminated against Virgin.

The US case, BA said, did not concern itself with BA's alleged dirty tricks and its attempts to persuade customers to change airlines. That was the issue to be contested in the UK courts and was now settled.

BA said it accepted that some of its employees had behaved improperly in gaining access to computer information on Virgin flights. How-

ever, the damage they had caused to Virgin was small - hence BA's agreement to pay Virgin only \$355,000 (\$424,000) as a settlement rather than the \$35m Virgin had sought.

Mr Will Whitehorn, Virgin's spokesman, dismissed BA's statement as "totally disingenuous". The alleged dirty tricks campaign against Virgin would form an important part of the US case, he said.

The only reason Virgin agreed to accept the small amount BA offered in settlement of the UK case was that it was claiming a far bigger amount in the US, he added.

Gaming legislation unhorsed by lottery

Scheherazade Daneshkhu looks beyond today's big race to widespread industry changes

As punters go into betting shops today to try their luck on the Grand National horse race - which with £75m (\$120m) wagered is the country's largest betting event - they may notice a difference in their surroundings.

Betting shops were allowed this week to take down window boards, so for the first time in almost 35 years passers-by can see into them.

It will take a while for the shop fronts to be altered. Ladbroke, the UK's largest bookmaker, is spending £25m a year over the next three years to refit 1,300 of its 1,900 betting offices. Coral, the betting chain owned by the brewer Bass will open up 250 of its 750 shops over the next three months.

The shops can now advertise bets in their windows, install TV screens larger than 30 inches and sell sandwiches and a wider range of snacks than the biscuits, crisps and sweets to which they have been limited. The move is one of a series of deregulatory measures this year long sought by the gaming industry but which have been hastened by the launch of the National Lottery last November.

Sunday horse racing has been introduced and betting shops allowed to open on Sun-



New look betting shops: the boards are down for the first time in almost 35 years, and passers-by can look in from the street

days. Inter-track betting is to become legal at greyhound tracks subject to parliamentary approval - allowing customers at one dog track to place bets on races at other tracks.

The philosophy behind UK gaming legislation has been that operators must not stimu-

late demand. But the government's enthusiasm for the National Lottery - with an advertising campaign focused firmly on winnings rather than helping good causes - has weakened its position.

By allowing the lottery to advertise on television and to

roll over prize money, it introduced rights that betting shops had been denied for years. The government has proposed allowing fruit machines with a maximum payout of £10 in cash to be installed in places in which those only people over 18 are allowed. Betting shops say it is ridiculous that a fish and chip shop can have a fruit machine but a betting shop cannot.

At the moment, fruit machines pay a maximum of £3 in cash and £5 in tokens, which cannot be exchanged for cash. Bacta, the trade association for the amusement machine industry, has long argued for the abolition of tokens and an increase in cash prize money.

The government's proposals would also allow an increase in the maximum number of jackpot machines from two to six in casinos and four in bingo clubs. The move is welcomed by Mr John Garrett, managing director of the Rank Organisation's recreation division, which rents out amusement machines.

He said: "It represents a big opportunity to place machines in new outlets for a rental fee. There are about 8,000 betting shops in the UK and if we were to get a third of those, it would add a couple of million to profits." The bingo industry has also had concessions in the form of prize increases. Last month, the top prize for the National Game - when 67% of the 910 bingo clubs in the country play at the same time - was increased from £75,000 to £250,000.

The measures still fall short of the industry's demands. Betting shops, for example, want to be able to advertise on television and, along with bingo clubs, be allowed to give their addresses. Mr Malcolm Palmer, public relations manager at Coral, said: "At the moment, you can say you've got a new shop opening but you can't say where it is."

Casinos want the lifting of the 48-hour rule, under which a customer has to turn up in person to fill in a form 48 hours before he or she first gambles. This is one measure likely to be addressed in a government paper on casinos due to be published next month.

Comparisons with the US are too early, said Mr Garrett. "The government sees casinos as a high-roller class of indulgence. I see them as low-cost unskilled entertainment. Gaming is still a highly regulated industry; we are in the Dark Ages compared to the US."

OTC BUSINESS NEWS

Essential and timely intelligence on the international over-the-counter pharmaceuticals business - every fortnight - from the Financial Times.

FINANCIAL TIMES
Pharmaceuticals & Biotechnology

Worldwide, the market for over-the-counter drugs is experiencing dramatic growth. In Europe alone, sales are predicted to increase by more than 44% 1992-1997, to \$10.1 billion. Driven by prescription-to-OTC switching, the US market is expected to expand from \$14 billion in 1994 to as much as \$25 billion in five years' time.

Profitable business opportunities are developing rapidly for pharmaceutical manufacturers, medical packagers, retail chemists, advertising, marketing and PR agencies - attracting the interest of personal and institutional investors, city analysts, government officials, health insurance companies, GPs and professional organisations.

Stay ahead of the competition with OTC Business News and keep informed of key developments in this fast growing field - as they happen. With regular updates on:

- New Product Development
- Making the switch between Rx to OTC
- Company News
- Country by Country Market Reports
- The Advertising and Marketing Challenge
- Retail Opportunities
- Legislative and Regulatory Developments

For a Free Sample Copy contact:

Financial Times Newsletter,
122 High Street, Chesham, Bucks. HP5 1EB
Tel: 01494 793535 Fax: 01494 778994

Pharmaceuticals Limited, Registered Office:
Maple House, 140 Tottenham Court Road, London W1P 0LL.
Registered No. 2470024

150 من المال

Warburg rues Glaxo merger

By Nicholas Denton

Warburg Securities, the stockbroker arm of SG Warburg, has lost both Glaxo and Wellcome as clients as a result of the pharmaceutical companies' merger. Glaxo said it was appointing Cazenove & Co and Hoare Govett as joint stockbrokers, with immediate effect.

Glaxo explained it had taken the opportunity of its acquisition of Wellcome to review its arrangements. It pointed to Hoare Govett's work on the bid, which went unconditional last month, and to Cazenove's expertise.

Warburg said it had been unable to work on the transaction because of conflicts between client relationships. It said Glaxo's move therefore came as no great surprise.

Besides acting as stockbroker to both companies, Warburg is both broker and financial adviser of record to Zeneca, the pharmaceuticals offshoot from ICI. Zeneca considered a "white knight" bid for Wellcome in opposition to Glaxo.

Sir Colin Corness, chairman of Glaxo, supported the appointments. Cazenove was broker for Redland, the build-

ing materials company, where Sir Colin was formerly chairman. He knew Hoare Govett from his work on Redland's bid for Steetley.

Interlocking stockbrokers had an opportunity with Glaxo because its policy of organic growth made its contact with advisers less active than those of acquirers.

The loss of two FTSE 100 companies from Warburg Securities' client list comes at a delicate time for the group. It is endeavouring to restore its reputation after a collapse in investment banking profits and the defection of key staff and

the resignation of its chief executive, Lord Cairns.

Warburg Securities nevertheless attracted new clients last year, according to Crawford's directory of City connections, an annual study. It added 13 more clients than it lost, although Warburg's merchant banking arm lost relationships.

The loss of clients through conflicts of loyalty is also a reflection of Warburg's wide spread of clients, which often clash. Warburg has more advisory clients than any other UK merchant or investment bank, and is second only to Cazenove as a stockbroker.

Pearl to consult DTI over surpluses

By Alison Smith

Pearl Assurance, the life insurance company owned by Australian Mutual Provident, is to seek discussions with the Department of Trade and Industry about releasing surplus assets from its life funds to shareholders.

The company is likely to decide later this month on an approach to the DTI about gaining access to its "orphan estate". The term "orphan estate" refers to surplus assets built up in long-term funds that have not been allocated to policyholders to meet their reasonable expectations.

When Mr Richard Surface became managing director of AMP UK two months ago, he said that part of his task would be to make better use of what he called Pearl's "elusive" surplus capital.

Refuge and Britannia, two other life insurers, have already said that they intend to approach the DTI to establish the extent of surpluses in their funds which can be assigned to shareholders.

Their statements follow the announcement from United Friendly in February that after talks with the DTI, which protects the interests of policyholders, some £275m of its £2bn-plus life fund had been assigned to shareholders.

Although the sum will remain in the fund, shareholders will benefit from the investment returns it generates.

Surpluses can be built up from many sources, including better than expected investment performance, trading profits or profits from policies surrendered early by policyholders. Analysts point out that the surpluses are likely to be higher in companies such as Pearl which have traditionally sold through a direct sales force visiting customers at home.

This area of the market has been less competitive for life companies than, for example, selling through independent financial advisers, so they were able to adopt a conservative approach to the returns they offered policyholders without losing business.

The focus is on surpluses in with-profits life funds, where investment returns to customers are "smoothed", that is, in good years some investment returns are put into reserves so that bonuses can be offered in bad years as well.

"The views around the industry are obviously mixed," said a source who said that companies are looking at these assets, which have hitherto been locked away. Pearl is clearly interested in considering how its orphan funds can be used to develop the business," the company said.

The focus is on surpluses in with-profits life funds, where investment returns to customers are "smoothed", that is, in good years some investment returns are put into reserves so that bonuses can be offered in bad years as well.

"The views around the industry are obviously mixed," said a source who said that companies are looking at these assets, which have hitherto been locked away. Pearl is clearly interested in considering how its orphan funds can be used to develop the business," the company said.

The focus is on surpluses in with-profits life funds, where investment returns to customers are "smoothed", that is, in good years some investment returns are put into reserves so that bonuses can be offered in bad years as well.

"The views around the industry are obviously mixed," said a source who said that companies are looking at these assets, which have hitherto been locked away. Pearl is clearly interested in considering how its orphan funds can be used to develop the business," the company said.

The focus is on surpluses in with-profits life funds, where investment returns to customers are "smoothed", that is, in good years some investment returns are put into reserves so that bonuses can be offered in bad years as well.

"The views around the industry are obviously mixed," said a source who said that companies are looking at these assets, which have hitherto been locked away. Pearl is clearly interested in considering how its orphan funds can be used to develop the business," the company said.

The focus is on surpluses in with-profits life funds, where investment returns to customers are "smoothed", that is, in good years some investment returns are put into reserves so that bonuses can be offered in bad years as well.

"The views around the industry are obviously mixed," said a source who said that companies are looking at these assets, which have hitherto been locked away. Pearl is clearly interested in considering how its orphan funds can be used to develop the business," the company said.

The focus is on surpluses in with-profits life funds, where investment returns to customers are "smoothed", that is, in good years some investment returns are put into reserves so that bonuses can be offered in bad years as well.

"The views around the industry are obviously mixed," said a source who said that companies are looking at these assets, which have hitherto been locked away. Pearl is clearly interested in considering how its orphan funds can be used to develop the business," the company said.

The focus is on surpluses in with-profits life funds, where investment returns to customers are "smoothed", that is, in good years some investment returns are put into reserves so that bonuses can be offered in bad years as well.

"The views around the industry are obviously mixed," said a source who said that companies are looking at these assets, which have hitherto been locked away. Pearl is clearly interested in considering how its orphan funds can be used to develop the business," the company said.

The focus is on surpluses in with-profits life funds, where investment returns to customers are "smoothed", that is, in good years some investment returns are put into reserves so that bonuses can be offered in bad years as well.

"The views around the industry are obviously mixed," said a source who said that companies are looking at these assets, which have hitherto been locked away. Pearl is clearly interested in considering how its orphan funds can be used to develop the business," the company said.

The focus is on surpluses in with-profits life funds, where investment returns to customers are "smoothed", that is, in good years some investment returns are put into reserves so that bonuses can be offered in bad years as well.

"The views around the industry are obviously mixed," said a source who said that companies are looking at these assets, which have hitherto been locked away. Pearl is clearly interested in considering how its orphan funds can be used to develop the business," the company said.

The focus is on surpluses in with-profits life funds, where investment returns to customers are "smoothed", that is, in good years some investment returns are put into reserves so that bonuses can be offered in bad years as well.

"The views around the industry are obviously mixed," said a source who said that companies are looking at these assets, which have hitherto been locked away. Pearl is clearly interested in considering how its orphan funds can be used to develop the business," the company said.

TI awards chairman 51% pay rise to more than £1m

By Tim Burt

TI Group, the engineering and aerospace company, yesterday disclosed that Sir Christopher Lewinton, its chairman, had been awarded a 51 per cent pay increase, taking his total package above £1m for the first time.

Sir Christopher, widely credited with pushing through the group's Messier-Dowty landing gear joint venture last year, saw his combined salary, benefits and performance-related bonuses rise from £705,000 to £1,070,000.

The company justified the package - dominated by a bonus of £465,000 (£110,000) - by saying profits had increased by 75 per cent in the past two years and that it had to offer "internationally competitive" incentives to retain senior executives.

It also pointed out that Sir Christopher and the rest of the



Sir Christopher Lewinton: received bonus of £465,000

board had agreed to invest a significant portion of their bonuses in TI shares.

Of Sir Christopher's bonus, £238,000 is to be spent on shares, while the remaining directors are setting aside a total of £226,000 for reinvestment in the company.

The move should increase the value of directors' shareholdings close to £2m, thought to be one of the largest board stakes of any FTSE-100 company.

"More and more directors are taking shares instead of cash bonuses, and we are following that trend," the company said.

This year those directors will receive bonuses in shares rather than cash under a new three-year remuneration plan linked to TI's performance.

The group's annual report, published yesterday, also revealed that the group had resumed contributions to the Conservative Party with a £20,000 donation last year.

"Our contributions are modest, but we still believe a Tory government is in the best interest of the company and its shareholders," a spokesman said yesterday.

Biocompatibles flotation to go ahead after six month delay

By Geoff Dyer

Biocompatibles International, a research company that has developed a new type of contact lens, is to finally float after a six-month delay that has seen changes in its business plan and consider the approaches of several health-care companies.

The loss-making concern will raise £15.1m through a placing underwritten by Robert Fleming, valuing it at £74m. Dealings in the shares, priced at 170p, begin on April 13.

Johnson & Johnson Development Corporation, the US healthcare group which is believed to be close to collaborating with the company over a cardiovascular product, is to increase its stake in Biocompatibles from 8.4 per cent to 9 per cent.

When the pathfinder prospectus was published in October the company was expected to raise £40m. However, Mr Alistair Taylor, chief executive, said that Biocompatibles was now looking to raise less because a plan to acquire a company in the healthcare area had been abandoned.

He added that impact day had been delayed because the board had been discussing a number of possible collaborations with healthcare companies. He denied that those talks had involved a takeover of the company.

The proceeds will be used to finance contact lens sales and research into a range of cardiovascular products.

In 1994 the group's losses increased to £2.7m (£2.8m). Funding requirements are expected to be £12m over the next two years, during which time the group does not expect to generate positive cash flow.

The prospectus, which described the group as a manufacturer of medical devices rather than a biotechnology business, warned that the investment involves a higher than normal degree of risk.

The prospectus will be used to finance contact lens sales and research into a range of cardiovascular products.

In 1994 the group's losses increased to £2.7m (£2.8m). Funding requirements are expected to be £12m over the next two years, during which time the group does not expect to generate positive cash flow.

The prospectus, which described the group as a manufacturer of medical devices rather than a biotechnology business, warned that the investment involves a higher than normal degree of risk.

The prospectus will be used to finance contact lens sales and research into a range of cardiovascular products.

In 1994 the group's losses increased to £2.7m (£2.8m). Funding requirements are expected to be £12m over the next two years, during which time the group does not expect to generate positive cash flow.

The prospectus, which described the group as a manufacturer of medical devices rather than a biotechnology business, warned that the investment involves a higher than normal degree of risk.

The prospectus will be used to finance contact lens sales and research into a range of cardiovascular products.

In 1994 the group's losses increased to £2.7m (£2.8m). Funding requirements are expected to be £12m over the next two years, during which time the group does not expect to generate positive cash flow.

The prospectus, which described the group as a manufacturer of medical devices rather than a biotechnology business, warned that the investment involves a higher than normal degree of risk.

The prospectus will be used to finance contact lens sales and research into a range of cardiovascular products.

In 1994 the group's losses increased to £2.7m (£2.8m). Funding requirements are expected to be £12m over the next two years, during which time the group does not expect to generate positive cash flow.

The prospectus, which described the group as a manufacturer of medical devices rather than a biotechnology business, warned that the investment involves a higher than normal degree of risk.

The prospectus will be used to finance contact lens sales and research into a range of cardiovascular products.

In 1994 the group's losses increased to £2.7m (£2.8m). Funding requirements are expected to be £12m over the next two years, during which time the group does not expect to generate positive cash flow.

The prospectus, which described the group as a manufacturer of medical devices rather than a biotechnology business, warned that the investment involves a higher than normal degree of risk.

IBM deal lifts Azlan shares

By Paul Taylor

Shares in Azlan Group - which distributes networking computer products - jumped 30 per cent to close 35p higher at 151p yesterday after the company announced a pan-European distribution agreement with IBM.

Under the proposed new agreement with IBM Networking Systems, Azlan will distribute IBM's local area network (LAN) and connecting products to resellers across Europe.

The deal represents an extension of an existing pilot contract between the two companies in the UK signed six months ago. Azlan currently operates in the UK, France, Germany and Scandinavia - countries which together account for about 75 per cent of IBM's networking products market in Europe.

The agreement represents a further move by IBM to expand sales through third party distributors.

Mr Chris Bickley, IBM Networking Systems Channels manager, said "in less than six months we have established a thriving new channel to market with Azlan in the UK."

Mr Chris Martin, Azlan's group managing director, said that while sales and shipments would begin immediately, "the financial significance of this contract is medium term given that the time for market development for such technologies is nine to 12 months".

Although neither company would indicate the potential size of the agreement Mr Bickley confirmed it was "significant".

Last year IBM's networking product sales through all channels in the UK alone totalled about £100m.

Mr Chris Martin, Azlan's group managing director, said that while sales and shipments would begin immediately, "the financial significance of this contract is medium term given that the time for market development for such technologies is nine to 12 months".

Although neither company would indicate the potential size of the agreement Mr Bickley confirmed it was "significant".

Last year IBM's networking product sales through all channels in the UK alone totalled about £100m.

Mr Chris Martin, Azlan's group managing director, said that while sales and shipments would begin immediately, "the financial significance of this contract is medium term given that the time for market development for such technologies is nine to 12 months".

Although neither company would indicate the potential size of the agreement Mr Bickley confirmed it was "significant".

Last year IBM's networking product sales through all channels in the UK alone totalled about £100m.

Mr Chris Martin, Azlan's group managing director, said that while sales and shipments would begin immediately, "the financial significance of this contract is medium term given that the time for market development for such technologies is nine to 12 months".

Although neither company would indicate the potential size of the agreement Mr Bickley confirmed it was "significant".

Last year IBM's networking product sales through all channels in the UK alone totalled about £100m.

Mr Chris Martin, Azlan's group managing director, said that while sales and shipments would begin immediately, "the financial significance of this contract is medium term given that the time for market development for such technologies is nine to 12 months".

Although neither company would indicate the potential size of the agreement Mr Bickley confirmed it was "significant".

Last year IBM's networking product sales through all channels in the UK alone totalled about £100m.

Mr Chris Martin, Azlan's group managing director, said that while sales and shipments would begin immediately, "the financial significance of this contract is medium term given that the time for market development for such technologies is nine to 12 months".

Although neither company would indicate the potential size of the agreement Mr Bickley confirmed it was "significant".

Last year IBM's networking product sales through all channels in the UK alone totalled about £100m.

Mr Chris Martin, Azlan's group managing director, said that while sales and shipments would begin immediately, "the financial significance of this contract is medium term given that the time for market development for such technologies is nine to 12 months".

Although neither company would indicate the potential size of the agreement Mr Bickley confirmed it was "significant".

Last year IBM's networking product sales through all channels in the UK alone totalled about £100m.

Mr Chris Martin, Azlan's group managing director, said that while sales and shipments would begin immediately, "the financial significance of this contract is medium term given that the time for market development for such technologies is nine to 12 months".

Although neither company would indicate the potential size of the agreement Mr Bickley confirmed it was "significant".

Last year IBM's networking product sales through all channels in the UK alone totalled about £100m.

Mr Chris Martin, Azlan's group managing director, said that while sales and shipments would begin immediately, "the financial significance of this contract is medium term given that the time for market development for such technologies is nine to 12 months".

Although neither company would indicate the potential size of the agreement Mr Bickley confirmed it was "significant".

Last year IBM's networking product sales through all channels in the UK alone totalled about £100m.

Mr Chris Martin, Azlan's group managing director, said that while sales and shipments would begin immediately, "the financial significance of this contract is medium term given that the time for market development for such technologies is nine to 12 months".

Rainford joins market with £64m valuation

By Geoff Dyer

The directors of Rainford Group, a mechanical and electromechanical components maker, will make £7.5m from its flotation, according to the prospectus.

The group will raise £9m through a placing which values it at £64m. In addition, existing shareholders will sell shares worth £12.4m.

The principal beneficiary will be the family trust of Mr Barry Houghton, the founder chairman, which will be left with a 48.8 per cent stake. Granville Private Equity will reduce its shareholding from 25 per cent to 16.9 per cent.

Dealing in the shares - priced at 270p on a 1993-94 earnings multiple of 17.2 - begins on April 13.

Mr Houghton said the flotation would allow the group to take advantage of the growth in the mobile telephone market. It supplies companies such as Nokia and Motorola with equipment for mobile telephone base stations.

The placing will eliminate the group's current gearing of 105 per cent and allow it to increase capacity at its Coventry plant by 50 per cent.

Turnover has grown from £8.8m in the year to March 31 1992 to £43.3m in the nine months to December 31. Pre-tax profits in the year to March 31 trebled to £5.25m (£1.51m).

Body Shop beefs up US management

By Geoff Dyer

Body Shop International is beefing up the management of its US operation by appointing Mr Terry Martin, the cosmetic retailer's head of operations and distribution, as chief operating officer of the subsidiary.

The appointment comes at a time when recent sales at Body Shop outlets in the US have been disappointing. Over the Christmas period, the stores' sales fell by 1 per cent.

Mr Martin will work at the subsidiary's head office in North Carolina alongside Mr David Edwards, long-time president of the US unit, and will be responsible for the day-to-day running of the business.

The focus is on surpluses in with-profits life funds, where investment returns to customers are "smoothed", that is, in good years some investment returns are put into reserves so that bonuses can be offered in bad years as well.

"The views around the industry are obviously mixed," said a source who said that companies are looking at these assets, which have hitherto been locked away. Pearl is clearly interested in considering how its orphan funds can be used to develop the business," the company said.

The focus is on surpluses in with-profits life funds, where investment returns to customers are "smoothed", that is, in good years some investment returns are put into reserves so that bonuses can be offered in bad years as well.

"The views around the industry are obviously mixed," said a source who said that companies are looking at these assets, which have hitherto been locked away. Pearl is clearly interested in considering how its orphan funds can be used to develop the business," the company said.

The focus is on surpluses in with-profits life funds, where investment returns to customers are "smoothed", that is, in good years some investment returns are put into reserves so that bonuses can be offered in bad years as well.

"The views around the industry are obviously mixed," said a source who said that companies are looking at these assets, which have hitherto been locked away. Pearl is clearly interested in considering how its orphan funds can be used to develop the business," the company said.

The focus is on surpluses in with-profits life funds, where investment returns to customers are "smoothed", that is, in good years some investment returns are put into reserves so that bonuses can be offered in bad years as well.

"The views around the industry are obviously mixed," said a source who said that companies are looking at these assets, which have hitherto been locked away. Pearl is clearly interested in considering how its orphan funds can be used to develop the business," the company said.

The focus is on surpluses in with-profits life funds, where investment returns to customers are "smoothed", that is, in good years some investment returns are put into reserves so that bonuses can be offered in bad years as well.

"The views around the industry are obviously mixed," said a source who said that companies are looking at these assets, which have hitherto been locked away. Pearl is clearly interested in considering how its orphan funds can be used to develop the business," the company said.

The focus is on surpluses in with-profits life funds, where investment returns to customers are "smoothed", that is, in good years some investment returns are put into reserves so that bonuses can be offered in bad years as well.

"The views around the industry are obviously mixed," said a source who said that companies are looking at these assets, which have hitherto been locked away. Pearl is clearly interested in considering how its orphan funds can be used to develop the business," the company said.

The focus is on surpluses in with-profits life funds, where investment returns to customers are "smoothed", that is, in good years some investment returns are put into reserves so that bonuses can be offered in bad years as well.

"The views around the industry are obviously mixed," said a source who said that companies are looking at these assets, which have hitherto been locked away. Pearl is clearly interested in considering how its orphan funds can be used to develop the business," the company said.

The focus is on surpluses in with-profits life funds, where investment returns to customers are "smoothed", that is, in good years some investment returns are put into reserves so that bonuses can be offered in bad years as well.

"The views around the industry are obviously mixed," said a source who said that companies are looking at these assets, which have hitherto been locked away. Pearl is clearly interested in considering how its orphan funds can be used to develop the business," the company said.

The focus is on surpluses in with-profits life funds, where investment returns to customers are "smoothed", that is, in good years some investment returns are put into reserves so that bonuses can be offered in bad years as well.

Writ for Richbell over magazines

By Patrick Harverson

Richbell Holdings, the information processing and media group which plans a stockmarket flotation in the next few months, is the subject of a £7m lawsuit launched by Northern & Shell, the privately owned magazine publisher.

Richbell, Mr David Elias, its chairman, and a subsidiary called Harpur Group are named in the suit which alleges breaches of contract over a joint venture with Northern & Shell.

The venture, known as Retail Revolution, was set up to sell 30 new monthly magazines, including such titles as Megabooks and Bodytalk, exclusively through a network of petrol stations.

Northern & Shell alleges Harpur failed to persuade enough stations to take the magazines, and failed to collect

payments from the stations which did join the scheme.

Consequently, Northern & Shell, which produced the first batch of 30 new monthly titles, is seeking a total of £97m in damages to cover its losses.

Harpur has responded to the claims with its own writ alleging breaches of contract on the part of Northern & Shell. It described the claims as "ridiculous and wholly without merit".

The focus is on surpluses in with-profits life funds, where investment returns to customers are "smoothed", that is, in good years some investment returns are put into reserves so that bonuses can be offered in bad years as well.

"The views around the industry are obviously mixed," said a source who said that companies are looking at these assets, which have hitherto been locked away. Pearl is clearly interested in considering how its orphan funds can be used to develop the business," the company said.

The focus is on surpluses in with-profits life funds, where investment returns to customers are "smoothed", that is, in good years some investment returns are put into reserves so that bonuses can be offered in bad years as well.

"The views around the industry are obviously mixed," said a source who said that companies are looking at these assets, which have hitherto been locked away. Pearl is clearly interested in considering how its orphan funds can be used to develop the business," the company said.

The focus is on surpluses in with-profits life funds, where investment returns to customers are "smoothed", that is, in good years some investment returns are put into reserves so that bonuses can be offered in bad years as well.

"The views around the industry are obviously mixed," said a source who said that companies are looking at these assets, which have hitherto been locked away. Pearl is clearly interested in considering how its orphan funds can be used to develop the business," the company said.

The focus is on surpluses in with-profits life funds, where investment returns to customers are "smoothed", that is, in good years some investment returns are put into reserves so that bonuses can be offered in bad years as well.

"The views around the industry are obviously mixed," said a source who said that companies are looking at these assets, which have hitherto been locked away. Pearl is clearly interested in considering how its orphan funds can be used to develop the business," the company said.

The focus is on surpluses in with-profits life funds, where investment returns to customers are "smoothed", that is, in good years some investment returns are put into reserves so that bonuses can be offered in bad years as well.

"The views around the industry are obviously mixed," said a source who said that companies are looking at these assets, which have hitherto been locked away. Pearl is clearly interested in considering how its orphan funds can be used to develop the business," the company said.

The focus is on surpluses in with-profits life funds, where investment returns to customers are "smoothed", that is, in good years some investment returns are put into reserves so that bonuses can be offered in bad years as well.

"The views around the industry are obviously mixed," said a source who said that companies are looking at these assets, which have hitherto been locked away. Pearl is clearly interested in considering how its orphan funds can be used to develop the business," the company said.

The focus is on surpluses in with-profits life funds, where investment returns

INTERNATIONAL COMPANIES AND FINANCE

Barings unit leads group seeking Swedish Match

By Christopher Brown-Humes in Stockholm

A consortium led by Baring Capital Investors, part of Barings Bank, has emerged as a front-runner to buy Swedish Match, the world's leading match producer.

Volvo wants to sell the business as part of a strategy to concentrate on core vehicle businesses and the sale is expected to raise as much as SKr100m (\$1.3bn).

Sources close to the talks say Swedish investors and senior Swedish Match managers are involved in the consortium which is trying to arrange a leveraged buy-out.

The purchase would be the

biggest leveraged buy-out in Europe since the UK's Gateway supermarket group in the 1980s.

Baring Capital and Volvo declined to comment. Volvo says talks are being held with buyers and could take weeks to finalise. Baring Capital Investors operates independently of its parent and has not been affected by the crisis surrounding the bank. Last year, it led the buy-out of the last part of BP Nutrition in a \$500m deal.

Last year, Swedish Match, headquartered in Switzerland, posted an operational profit of SKr1.51bn on sales of SKr6.02bn.

It has strong global positions in matches and lighters and is

the dominant Swedish cigarette supplier and maker of Snus, a wet snuff, popular among Swedes.

Its tobacco operations span Sweden's Svenska Tobaks, Ebas in Europe, and Finkert in the US. Its lighting division is the world's largest supplier of matches and the world's third largest manufacturer of disposable lighters. Brand names include Bryant & May, Swan Vesta and Solistickan matches and Cricket lighters.

Morgan Stanley, which is arranging the Swedish Match sale, presented bids from three international financial consortia to the Volvo board last month.

It is understood that Citicorp

Venture Capital, which has been a part owner of the Swedish Match before, belongs to one of the other consortia. Danish-based Scandinavian Tobacco Company, 32 per cent owned by the UK's BAT Industries, is said to be interested in buying the Swedish tobacco operations, but it is not clear whether it is a consortium member. Svenska Tobaks has a licence to produce and sell Prince, Scandinavia's top-selling cigarette brand, from the Danish company.

Volvo has said it wants to sell all its non-core activities, worth about SKr400m, by the end of next year to support the development of its main vehicle operations. Earlier this

week, the group announced the sale of its food business to Orkla of Norway and the formation of a joint beverage concern in a deal worth SKr650m.

Swedish Match has a special place in the affections of many Swedes, with a history that can be traced to the 1920s. But its ownership and structure have changed several times in the past few years, including stints with Stora, the pulp and paper concern, and a financial consortium.

It last changed hands in 1992 when it was acquired by Procordia. At that time, Procordia was jointly-owned by Volvo and the Swedish state but it came under full Volvo control in a later restructuring.

Cott posts fourth-term loss despite sales surge

By Bernard Simon in Toronto

Cott, the private-label beverage maker, suffered an unexpected fourth-quarter loss in spite of a sharp rise in sales.

The Toronto-based company blamed the setback mainly on higher costs for packaging materials, such as aluminium cans, plastic bottles and corrugated cartons. But increasingly stiff competition from brand-name suppliers and other private-label groups squeezed margins.

The loss for the three months to January 28 was \$697,000, or one cent a share, compared with a market price of \$9.1m, (\$8.5m), or 15 cents, a year earlier.

Revenues jumped by almost two thirds to \$277.5m, but gross margins slid to 8.9 per cent from 17.7 per cent.

Earnings for fiscal 1995 were \$34.8m, or 57 cents a share, down slightly from \$35.4m, or 60 cents, the previous year. Sales surged 69 per cent to \$1.1bn, equal to \$14.1m cases. The results point to a deterioration in Cott's balance sheet. Accounts payable jumped to \$158.8m from \$138.3m a year earlier.

Ms Jennifer Solomon, analyst at Jefferies in New York, said she was disappointed by the lacklustre performance of Cott's international operations. She said she was "sceptical" about its prospects.

Cott told analysts yesterday it suffered a loss on its 50 per cent stake in Ben Shaw, the UK bottler. Its other UK operations, which include a joint venture with Mr Richard Branson's Virgin group, were only marginally profitable.

Price increases to offset higher packaging costs did not take effect until the beginning of February.

Cott has taken the beverage industry by storm over the past two years with its private-label brands, which have offered retailers wider margins and greater control over marketing than such brand names as Coca-Cola and Pepsi. However, brand-name suppliers have begun to fight back.

Du Pont will sell assets to fund Seagram scheme

By Tony Jackson in New York

Du Pont, the US chemical company, is to sell just over \$20m of assets to help pay for its \$8.8bn buy-back of shares from Seagram of Canada, chairman Mr Ed Woolard said yesterday. The decision on which assets to sell will be made in the next few weeks.

Mr Woolard confirmed the company is to re-sell \$2.5bn of the shares on the open market in coming months. Du Pont will profit handsomely from this manoeuvre, since it bought the stock at only \$96, or \$83 in cash and \$13 in warrants, compared with a market price of \$93 yesterday. Mr Woolard said: "I'd be glad to bet a lot of my personal money that we'll get over \$96."

Mr Woolard described the buy-back as a once-in-a-lifetime opportunity. "We looked at several hundred buy-backs, and never saw one that had this kind of discount," he said. The discount has been achieved because the structure of the deal, whereby Seagram takes its payment in the form of a dividend, allows it to pay only \$814m of tax on receipts of \$8.8bn.

Mr Woolard denied suggestions that Du Pont had contemplated a venture in the entertainment business in

conjunction with Seagram, which is believed to be close to buying the Hollywood studio MCA from Matsushita of Japan. "We wish Seagram the very best of luck in entertainment, but we don't know anything about it," he said.

The choice of assets to be sold will depend on a review of all the group's businesses, measured against the twin criteria of earning at least the cost of capital and having a strong competitive position. Mr Woolard said there would be no broader changes to the company as a result of the buy-back. "There is no need to change the basic direction or structure of the company. It's very solid."

The four Seagram directors who have resigned from the Du Pont board are not to be replaced, so the board will fall to a total of 11. One more outside director was likely to be appointed in the course of this year, Mr Woolard said. As part of the deal, Seagram has the option to buy back its entire stake at prices ranging from \$89 to \$114 a share over the next 4½ years. This would cost Seagram \$16bn for stock it had just sold for \$8.8bn, Mr Woolard said. "If those share targets are hit, all other shareholders will have benefited by \$26bn," he said.

La Caixa in friendly bid for Banco Herrero

By David White in Madrid

La Caixa, Spain's largest savings bank and based in Barcelona, has launched a friendly takeover bid for Banco Herrero, one of the country's five independent medium-sized commercial banks.

The bid, which will strengthen La Caixa's position among Spain's top banking groups, values Banco Herrero at \$56.94bn (\$453.3m).

It is conditional on obtaining at least 50 per cent of the stock, but this is virtually guaranteed since the Banco Herrero board controls about 63 per cent.

The offer price of Ptas7,400 per share compares with a closing level of Ptas4,500 on the Madrid stock market on Thursday, an increase of Ptas300 on the previous day. Trading in the stock was suspended yesterday after the bid announcement.

La Caixa said the bid premium took into account property and portfolio assets.

Under the agreement between the two banks, La Caixa has promised to maintain the management team and the separate identity of Banco Herrero.

The bank, whose main shareholders are the Herrero and Masaveu families, showed a consolidated net profit of Ptas2,39bn last year, down from Ptas3,6bn in 1993.

Media companies take up Netscape stakes

By Louise Kehoe in San Francisco

Five large software and media companies have acquired an equity stake in Netscape Communications, the leading supplier of World Wide Web software for use on the Internet, the global computer network.

Netscape said that Hearst Corporation, Knight-Ridder and Times Mirror, three large publishing concerns, have acquired minority stakes in the company.

Other Netscape investors are Adobe Systems, a software publisher, and TCI Technology Ventures, a unit of Telecommunications, the cable television service

company. The companies have acquired about 11 per cent of Netscape's equity in the form of preferred stock.

Financial details were not revealed. The private placement is the first for Netscape, which was founded last year by Mr Jim Clark, former chairman and founder of Silicon Graphics.

Initial funding for the company was provided by Mr Clark and by Kleiner Perkins & Caufield, a leading West Coast venture capital firm.

The media companies' interest in Netscape reflects the rapid growth of electronic publishing.

Netscape's software for online publishing and commerce enables publishers

to create online newspapers, magazines, newsletters or corporate presentations on the Internet.

The latest release of Netscape software incorporates sophisticated encryption that can be used to limit access to electronic publications to paying subscribers.

Adobe Systems, another Netscape investor, is a software company whose Acrobat program can be used to give online publications the same "look and feel" as the original print versions.

Typefaces and page design of an electronic publication can, for example, mirror the design of the printed version.

"The growth of the Internet is dramatically changing the

world of publishing," said Mr Jim Barksdale, president and chief executive of Netscape. "As a key provider of software for online publishing and commerce, we are working closely with leading companies in the publishing and technology industries."

The equity investments will cement those business relationships, Netscape said.

Netscape also announced yesterday the appointment of Mr Peter L.S. Currie as its chief financial officer.

Mr Currie was previously executive vice-president and chief financial officer of McCaw Cellular Communications, a leading provider of cellular telephone services.

IBM, Telecom Italia in mobile office deal

By Andrew Hill in Milan

IBM, the US computer group, and Telecom Italia, Italy's state-controlled telecoms operator, yesterday announced plans to market mobile offices in Italy, linking cellular telephones and portable computers.

The two groups will be aiming the service at companies which need constantly to update data such as sales brochures and price lists for travelling sales executives. The system will allow employees to send faxes and link up to the

Internet global data network and the central office computer via their personal computers.

Mr Vito Gamberale, director general of Telecom Italia, said at yesterday's launch that the two companies had worked for some months developing a system which was efficient and reliable enough to be launched on the market.

Mr Elio Catania, managing director of IBM in Italy, said: "The concept looks simple, but it's extremely difficult to put into practice."

The agreement is the latest in a series of joint ventures

and alliances to exploit new opportunities in the Italian telecoms market, one of Europe's largest. On Thursday, Olivetti, the Italian computer group, and Bell Atlantic, the US telecoms company, said they planned to challenge Telecom Italia on its home territory by offering telecoms services to businesses.

Under the accord, Telecom Italia and IBM will sell companies the hardware, modem, card, software and mobile phone - an individual package costing about L10m (\$58,700) - to link up mobile employees.

The companies said they would offer to customise companies' existing equipment. To start with, the system will use Telecom Italia's national analogue mobile phone network, which covers more of Italy at the moment than the recently launched digital network.

IBM and Stet, Telecom Italia's state-controlled parent company, revealed in February that they were in talks about possible global co-operation. However, Mr Catania said yesterday that the mobile office deal was not the first fruit of those negotiations.

New York Times lifts electronic media profile

The New York Times group has bought Video News International, a company specialising in international low-cost videoreporting, for an undisclosed fee, writes Raymond Snoddy.

VNI, which has trained staff for Time Warner's New York 1 News and for Channel One in London, has 37 videoreporters under contract covering a wide range of stories.

Videoreporters are the modern equivalent of the newspaper reporter - except they are equipped with light modern video cameras. Each jour-

nalists shoots, edits and scripts stories which tend to be feature and profile material.

Since VNI production began a year ago stories have been carried on all the main US television networks.

The acquisition is part of a strategy by the newspaper group to increase its presence in electronic media.

About 90 per cent of profits come from print and 10 per cent from electronic businesses. By the end of the decade it would like to have 25 per cent of profits coming from electronic businesses.

Union Limited
MARGINED FOREIGN EXCHANGE TRADING
Fast, Competitive Quotes 24 Hours
Tel: +44 71 815 0400
Fax: +44 71 329 3919

INVESTORS - TRADERS - CORPORATE TREASURERS
SATQUOTE™ - Your single source for real time quotes.
Futures * Options * Stocks * Forex * News * Via Satellite
LONDON +44 71 329 3377 NEW YORK +212 506 606 TRANSPORT +800 448871

FUTURES & OPTIONS TRADERS
FOR AN EFFICIENT & COMPETITIVE SERVICE
BERKELEY FUTURES LIMITED
38 DOVER STREET, LONDON W1X 3EB
TEL: 0171 629 1133 FAX: 0171 496 0022

YOUR PERSONAL REUTERS FINANCIAL REPORTER
Currencies, Futures, Indices and the latest news updates.
Futures Pager keeps you in touch with the markets 24 hrs a day.
FOR YOUR FREE 24 HOUR TRIAL, FREEPHONE 0500 800 456 TODAY
FUTURES PAGER

IG
TAX-FREE SPECULATION IN FUTURES
To obtain your free guide to how your Personal Broker can help you, call Richard Henry or Ian Jordan on 0171 894 0011 or write to IG, Index Plc, 1 Warwick Road, London SW1E 2ER

CMS Futureview
A subsidiary of the LGE
Real-time worldwide coverage of Futures/Options prices. Safe, Agricultural, Financial, Energy, Metals, FX, Commodities.
Same of use with accuracy & speed, in one value for money package. Available in the UK and Europe via satellite.
To contact CMS Futureview, call 01753 621212 Fax: 01753 621213

Market-Eye
Professional financial information direct to your PC for a low fixed cost.
FREEPHONE 0800 321 321 FAX 0171 398 1001

WANT TO KNOW A SECRET?
The L.D.S. Gann Seminar will show you how the markets REALLY work. The amazing trading techniques of the legendary W.D. Gann can increase your profits and contain your losses. How? That's the secret. Book your FREE place. Phone 0171 588 5858.

24HR
0171-865 0800
Daily Fax Service
Competitive Rates
London Trading Desk

TREND ANALYSIS LTD
Daily Analysis & Trading Recommendations by Fax
FOREX * METALS * BONDS * COMMODITIES
For FREE TRIAL Phone 01962 879764
Fax 01424 774067

PHILIP ALEXANDER
FUTURES & OPTIONS
SECURITIES AND FUTURES LIMITED
Vestry House, 125 Finsbury Pavement, London EC2A 1UA
Tel: (44) 171 417 9720 Fax: (44) 171 417 9719

FOREX
SOVEREIGN (FOREX) LIMITED
24 HOUR MARGIN TRADING FACILITY
COMPETITIVE PRICES
DAILY FAX SERVICE
Tel: 0171 - 931 9188 Fax: 0171 - 931 7414
41a Buckingham Palace Rd, London SW1W 0RE

UNILEVER N.V.
Rotterdam The Netherlands
ANNUAL GENERAL MEETING OF SHAREHOLDERS
On Wednesday, 3rd May, 1995 at 10.30 a.m. in the "Globe Zaal" of the "Congresgebouw de Doelen", entrance Kruisplein 30, Rotterdam

AGENDA

1. Consideration of the Annual Report for the 1994 financial year submitted by the Board of Directors.
2. Approval and adoption of the Annual Accounts and appropriation of the profit for 1994.
3. Appointment of the members of the Board of Directors.
4. Appointment of Auditors.
5. Discharge, in accordance with Article 99 and 100 of Book 2 of the Netherlands Civil Code, of the Board of Directors as the Company's body authorised in respect of the issue of shares in the Company.
6. Authorisation, in accordance with Article 98 of Book 2 of the Netherlands Civil Code, of the Board of Directors to perform shares in the Company and to issue certificates therefor.
7. This agenda, the Report and Accounts for 1994, and the information to be provided in accordance with Article 262, para. 1, of Book 2 of the Netherlands Civil Code and the further documents mentioned in Article 262, para. 2, of the same Code, for inspection by shareholders and holders of certificates issued by N.V. Unilever Nederland, are available at the offices of the Company, at the offices of the Bank mentioned below, where copies may be obtained free of charge.
8. Holders of bearer shares wishing to attend the meeting either in person or by proxy appointed in writing must deposit their share certificates by Wednesday, 3rd May, 1995 at the latest, at the offices of the Bank mentioned below, for inspection by shareholders and holders of certificates issued by N.V. Unilever Nederland, at the offices of the Bank mentioned below, where copies may be obtained free of charge.
9. Holders of registered shares for which certificates have been issued in another form and holders of shares wishing to attend the meeting either in person or by proxy appointed in writing must deposit their share certificates or their instruction by letter, stating the name of the shareholder or the holder of the share, at the offices of the Bank mentioned below, where copies may be obtained free of charge.
10. Holders of the certificates mentioned in (9) above wish to exercise voting rights at the meeting either in person or by proxy appointed in writing, by way of a two-stage voting form, N.V. Unilever Nederland Administratie, an Administrative Office, will exchange such certificates free of charge for original shares, which will be held in the name of such holders at its own office (each office being the designated place of deposit in the event and exchange the same again after the meeting has taken place for the Netherlands central bank, the Bank of the Netherlands, at the offices of the Bank mentioned below, where copies may be obtained free of charge).
11. Holders of certificates for which certificates have been issued in another form and holders of shares wishing to attend the meeting either in person or by proxy appointed in writing must deposit their share certificates or their instruction by letter, stating the name of the shareholder or the holder of the share, at the offices of the Bank mentioned below, where copies may be obtained free of charge.
12. Holders of the certificates mentioned in (11) above wish to exercise voting rights at the meeting either in person or by proxy appointed in writing, by way of a two-stage voting form, N.V. Unilever Nederland Administratie, an Administrative Office, will exchange such certificates free of charge for original shares, which will be held in the name of such holders at its own office (each office being the designated place of deposit in the event and exchange the same again after the meeting has taken place for the Netherlands central bank, the Bank of the Netherlands, at the offices of the Bank mentioned below, where copies may be obtained free of charge).
13. Holders of certificates for which certificates have been issued in another form and holders of shares wishing to attend the meeting either in person or by proxy appointed in writing must deposit their share certificates or their instruction by letter, stating the name of the shareholder or the holder of the share, at the offices of the Bank mentioned below, where copies may be obtained free of charge.
14. Holders of the certificates mentioned in (13) above wish to exercise voting rights at the meeting either in person or by proxy appointed in writing, by way of a two-stage voting form, N.V. Unilever Nederland Administratie, an Administrative Office, will exchange such certificates free of charge for original shares, which will be held in the name of such holders at its own office (each office being the designated place of deposit in the event and exchange the same again after the meeting has taken place for the Netherlands central bank, the Bank of the Netherlands, at the offices of the Bank mentioned below, where copies may be obtained free of charge).

Rotterdam, 8th April, 1995 THE BOARD OF DIRECTORS

FROM AS LITTLE AS £135 + VAT
(£45 per single column certificate)
You could reach 119,000*
Key property selected markets
WORLDWIDE
Available only from
THE FINANCIAL TIMES
This Commercial Property Section runs every Friday.
For further details, contact:
Suebie Cawthron on +44 0171 873 3211

TASactive
To receive the first month FREE
CALL 0171 638 1500
Advanced technical analysis for futures traders. The only information service published weekly by fax. Only £250 per year. Published by Philip Alexander Securities and Futures Limited. 125 Finsbury Pavement, London EC2A 1UA. Tel: 0171 417 9720 Fax: 0171 417 9719

Knight-Ridder's Futures Market Datasheet for only \$995
The best selling Subscribers Datasheet System. A full year of daily market data on 40 major futures.
\$1200 worth of data and software for just \$995 plus postage and handling.
Now known as The Knight-Ridder, 711 Third Street, London W2P 1AT. Tel: 0171 417 9720 Fax: 0171 417 9719

THE TAX FREE WAY TO PLAY THE MARKETS
We are the leaders in financial and commodity trading. Our clients include major banks, insurance companies, pension funds, etc.
72 hours. Up-to-date prices. Fax: 0171 417 9720. Tel: 0171 417 9719. Fax: 0171 417 9719. Fax: 0171 417 9719.

APPOINTMENTS ADVERTISING
appears in the UK edition every Wednesday & Thursday and in the International edition every Friday.
For information on advertising in this section please call
Sam Morris on +44 0171 873 4027
Andrew Skarzynski on +44 0171 873 4054
Joanne Gerrard on +44 0171 873 4153

LLOYDS INTERNATIONAL PORTFOLIO SICAV
1, rue Schiller
L-2519 Luxembourg
R.C. Luxembourg No.B7.635
NOTICE
Is hereby given to the Shareholders that the Annual General Meeting of Shareholders of LLOYDS INTERNATIONAL PORTFOLIO SICAV will be held at the registered office, in Luxembourg, 1 rue Schiller, on 18 April 1995 at 11.30 a.m. with the following agenda:
1. Submission of the reports of the Board of Directors and of the Authorised Independent Auditor;
2. Approval of the annual accounts as at 31 October 1994 and allocation of the net results;
3. Discharge to the Authorised Independent Auditor for the financial period ended 31 October 1994;
4. Election of the Authorised Independent Auditor for the new financial year;
5. Acknowledgement of the resignations of Mr A.B. Howells and Mr R.C. Seamer;
6. Election of Mr R.S. Moore as a new Director following the resignation of Mr A.B. Howells;
7. Re-election of Directors;
8. To transact such other business as may properly come before the Meeting.
Resolutions on the agenda of the Annual General Meeting will require a quorum and will be taken at the majority of the votes expressed by the Shareholders present or represented at the Meeting.
By order of the Board of Directors

The Financial Times plans to publish a Survey on Switzerland
on Wednesday, May 10
91% of Professional Investors in Europe regularly read the Financial Times and 75% consider the FT to be most important or useful in their work.*
19% of all senior European businessmen read the Financial Times: more than any other international publication.**
For an editorial synopsis and information on advertising opportunities please contact:
John Rolley or Simone Egli
in Geneva
Tel: +41 22 731 1604 Fax: +41 22 731 9481
or
Ernst Jenny in Schwanden
Tel: +41 58 813 070 Fax: +41 58 813 076
or
Lindsay Sheppard in London
Tel: +44 0171 873 3225 Fax: +44 0171 873 3428
* Professional Investor Community Worldwide Survey 1993/94
** European Business Readership Survey 1993
FT Surveys

LLOYDS INTERNATIONAL LIQUIDITY SICAV
1, rue Schiller
L-2519 Luxembourg
R.C. Luxembourg No.B.29813
NOTICE
Is hereby given to the Shareholders that the Annual General Meeting of Shareholders of LLOYDS INTERNATIONAL LIQUIDITY SICAV will be held at the registered office, in Luxembourg, 1 rue Schiller, on 18 April 1995 at 10.00 a.m. with the following agenda:
1. Submission of the reports of the Board of Directors and of the Authorised Independent Auditor;
2. Approval of the annual accounts as at 31 October 1994 and allocation of the net results;
3. Discharge to the Authorised Independent Auditor for the financial period ended 31 October 1994;
4. Election of the Authorised Independent Auditor for the new financial year;
5. Acknowledgement of the resignations of Mr A.B. Howells and Mr R.C. Seamer;
6. Election of Mr R.S. Moore as a new Director following the resignation of Mr A.B. Howells;
7. Re-election of Directors;
8. To transact such other business as may properly come before the Meeting.
Resolutions on the agenda of the Annual General Meeting will require a quorum and will be passed by the majority of the votes expressed by the Shareholders present or represented at the Meeting.
By order of the Board of Directors

Signal
Real-time U.S. & international quotes on over 90,000 issues.
As low as \$9/day. Call today.
44 + (0) 171-600 6101

السؤال من الاجل

COMMODITIES AND AGRICULTURE

WEEK IN THE MARKETS

Platinum in the spotlight

Precious metals seem to have been taking turns in the spotlight of late - and this week it was platinum's turn.

Recent gains in the platinum market had paid tribute to the strength of the metal, its sister metal, and then of silver, but for this week's surge to 44-year highs it could take credit of the credit itself.

The \$7.76 rise that took the London price to \$442 a troy ounce on Monday represented a continuation of the previous Friday's general upsurge in precious metals sparked by news of the German Bundesbank's discount rate. But Wednesday's \$13.25 rise to \$456 was a different matter. It was prompted by an announcement by the Englehard specialist materials and precious metals group of the US that it had developed a platinum-based catalyst that could clean up carbon monoxide and ground-level ozone, or smog.

Englehard said a catalytic coating on a car's radiator or air-conditioning condenser would convert ozone into oxygen and carbon monoxide into carbon dioxide.

The excitement engendered in the market eased on Thursday, when the price slipped back by \$7.25, but it rallied in London yesterday to \$456 an ounce, up \$20.75 on the week and \$49.50 since the beginning of last month.

Platinum's strength helped the palladium price to a fresh six-year high, but it ended marginally lower on the week. Silver fared better, gaining another 18 cents overall to reach a 44-year high of \$3.41 an ounce. Gold, having failed to break resistance in the mid-\$300s, finished \$1.75 up on balance at \$383.50.

All London Metal Exchange markets were higher yesterday, but copper and aluminium, the two leading contracts, were both moderately lower on the week. The expiry of April

options on Wednesday produced no surprises for copper traders and the market showed little sign of breaking out of the recent constricted trading range. Aluminium prices continued to fluctuate widely as underlying support and overhead resistance were tested in quick succession - but both held.

In contrast, crude oil prices were enabled to break out of the narrow ranges within which they had been confined for some months by rising demand for reformulated gasoline in the US. In late trading yesterday at London's International Petroleum Exchange June futures were up 73 cents on the week at \$17.93 a barrel.

Traders explained that a

sharp fall in stocks of reformulated gasoline, which is mandated in certain heavily polluted US areas, was behind the run-up in prices. US refiners, many of which were coming out of their maintenance period, were expected to enter the crude oil markets to meet the apparent rise in demand, they added. Some said the rise had also been encouraged by the tougher US policy towards Iran. Washington is considering banning US oil companies from buying Iranian crude for use outside the US.

London Commodity Exchange coffee futures yesterday surrendered some of the modest gains accumulated earlier in the week as traders looked forward to the start on Monday of the producers' new export retention scheme. Sentiment was dented by the failure on Thursday of Brazilian exporters and producers to develop a unified policy on the operation of export controls; and the market was in no mood to respond positively yesterday to the announcement of a 4 per cent reduction in Colombia's 1994-95 crop estimate.

Richard Mooney

BASE METALS

LONDON METAL EXCHANGE

(Prices from Associated Metal Trading)

ALLIUMINUM, 99.7 PURITY (per tonne)

Cash 3 mths

Close 1943-44 1885-86

Previous 1835-36 1850-80

High/Low 1881 1894/1888

AM Official 1850-80 1881-81.5

Kerb close 1850-80 1880-70

Open int. 214.670

Total daily turnover 56,539

ALUMINIUM ALLOY (per tonne)

Close 1785-85 1785-85

Previous 1785-85 1785-85

High/Low 1785-85 1785-85

AM Official 1785-85 1810-20

Kerb close 1785-85 1800-10

Open int. 2,783

Total daily turnover 320

LEAD (per tonne)

Close 602-3 613-14

Previous 597-98 616/615

High/Low 605-4 617-17.5

AM Official 605-4 616-7

Kerb close 605-4 616-7

Open int. 36,642

Total daily turnover 3,827

NICKEL (per tonne)

Close 7605-15 7740-50

Previous 7600-40 7730-40

High/Low 7600-40 7730-40

AM Official 7620-21 7750-70

Kerb close 7620-21 7750-70

Open int. 53,344

Total daily turnover 16,674

TIN (per tonne)

Close 5815-25 5950-50

Previous 5815-25 5950-50

High/Low 5815-25 5950-50

AM Official 5815-25 5950-50

Kerb close 5815-25 5950-50

Open int. 20,005

Total daily turnover 3,305

ZINC, special high grade (per tonne)

Close 1054-55 1075-75.0

Previous 1054-55 1075-75.0

High/Low 1054-55 1075-75.0

AM Official 1054-55 1075-75.0

Kerb close 1054-55 1075-75.0

Open int. 94,743

Total daily turnover 9,548

COPPER, grade A (per tonne)

Close 2859-60 2899-29

Previous 2859-60 2899-29

High/Low 2859-60 2899-29

AM Official 2859-60 2899-29

Kerb close 2859-60 2899-29

Open int. 227,865

Total daily turnover 30,815

LME Closing 875 rate 1,8014

Spot 1.8020 3 mths 1.8005 6 mths 1.8015 9 mths 1.8014

HIGH GRADE COPPER (COMEX)

Close 138.80 139.20 138.30 1,272 288

May 137.40 138.80 138.75 26,588 7,252

Jun 135.20 136.80 136.75 1,038 28

Jul 133.50 135.20 135.10 8,900 978

Aug 131.40 133.10 133.00 35 13

Sep 128.40 130.10 129.30 3,818 8,291

Total 47,889 8,291

PRECIOUS METALS

LONDON BULLION MARKET

(Prices supplied by N M Rothschild)

Gold (Troy oz) 5 price 2 equiv 50 equiv

Close 383.20-383.70 383.20-383.70

Opening 383.20-383.70 383.20-383.70

Morning fix 382.00 243,781 442,890

Afternoon fix 383.10 244,648 443,796

Days High 383.70-384.00

Days Low 382.30-382.80

Previous close 383.30-384.00

Local Gold Mining Gold Lending Rates (per US\$)

1 month 4.35 6 months 5.08

2 months 4.35 12 months 5.24

8 months 4.35

Silver fix 1000 oz US 1000 oz

Spot 332.50 540.70

3 months 340.50 547.50

6 months 345.50 552.50

9 months 348.50 555.50

1 year 351.50 558.50

Gold Coins 5 price 2 equiv.

Close 386-390 246-249

Market bid 404.00-405.00

New Sovereign 91-94 57-60

Precious Metals continued

GOLD COMEX (100 Troy oz: \$/troy oz)

Sett Day's price change High Low

Apr 382.4 -0.5 384.1 382.5 1,011 708

May 384.3 -0.5 385.3 384.3 100 -

Jun 386.7 -0.1 387.2 386.5 98,791 21,252

Jul 389.0 -0.1 390.2 388.5 22,545 832

Aug 392.5 -0.1 393.2 391.5 1,413 3

Oct 395.2 -0.1 395.8 393.5 1,701 1,408

Total 195,427 36,886

PLATINUM NYMEX (100 Troy oz: \$/troy oz)

Sett Day's price change High Low

Apr 454.4 -0.1 457.0 453.5 20 19

May 457.1 -0.1 459.8 454.5 19,279 7,007

Jun 459.8 -0.1 461.5 458.5 2,586 568

Jul 462.5 -0.1 463.2 460.5 2,536 8,835

Total 17,950 4,800

PALLADIUM NYMEX (100 Troy oz: \$/troy oz)

Sett Day's price change High Low

Apr 175.50 -0.80 177.00 175.25 6,410 329

May 177.75 -0.35 177.75 177.50 8,300 2

Jun 178.00 -0.35 - 100 5

Jul 165.50 - 165.50 165.50 7,823 381

Total 16,550 16,550

SILVER COMEX (100 Troy oz: \$/troy oz)

Sett Day's price change High Low

Apr 57.9 -0.7 - 14 14

May 58.2 -0.5 58.5 58.0 52,498 20,541

Jun 58.4 -0.5 58.8 58.0 5,424 3,461

Jul 58.5 -0.5 58.8 58.0 2,135 478

Aug 58.1 -0.5 - 13,288 54,887

Total 132,388 54,887

ENERGY

CRUDE OIL NYMEX (42,000 US gal: \$/barrel)

Sett Day's price change High Low

Apr 18.28 -0.08 18.32 18.01 50,075 42,494

May 18.31 -0.04 18.35 18.23 50,075 42,494

Jun 18.28 -0.06 18.32 18.01 50,075 42,494

Jul 18.28 -0.06 18.32 18.01 50,075 42,494

Aug 18.28 -0.06 18.32 18.01 50,075 42,494

Sep 18.28 -0.06 18.32 18.01 50,075 42,494

Oct 18.28 -0.06 18.32 18.01 50,075 42,494

Total 36,214 122,284

CRUDE OIL LPE (\$/barrel)

Sett Day's price change High Low

Apr 18.19 -0.04 18.28 18.08 34,890 28,571

May 18.21 -0.04 18.31 18.11 34,890 28,571

Jun 18.21 -0.04 18.31 18.11 34,890 28,571

Jul 18.21 -0.04 18.31 18.11 34,890 28,571

Aug 18.21 -0.04 18.31 18.11 34,890 28,571

Sep 18.21 -0.04 18.31 18.11 34,890 28,571

Oct 18.21 -0.04 18.31 18.11 34,890 28,571

Total 18,210 57,172

HEATING OIL NYMEX (42,000 US gal: \$/barrel)

Sett Day's price change High Low

Apr 18.19 -0.04 18.28 18.08 34,890 28,571

May 18.21 -0.04 18.31 18.11 34,890 28,571

Jun 18.21 -0.04 18.31 18.11 34,890 28,571

Jul 18.21 -0.04 18.31 18.11 34,890 28,571

Aug 18.21 -0.04 18.31 18.11 34,890 28,571

Sep 18.21 -0.04 18.31 18.11 34,890 28,571

Oct 18.21 -0.04 18.31 18.11 34,890 28,571

Total 18,210 57,172

NATURAL GAS NYMEX (10,000 cubic feet: \$/unit)

Sett Day's price change High Low

Apr 1.825 -0.001 1.826 1.810 26,000 9,922

May 1.770 -0.005 1.775 1.765 26,000 9,922

Jun 1.745 - 1.745 1.725 15,498 7,267

Jul 1.770 -0.005 1.775 1.765 26,000 9,922

Aug 1.770 -0.005 1.775 1.765 26,000 9,922

Sep 1.770 -0.005 1.775 1.765 26,000 9,922

Oct 1.770 -0.005 1.775 1.765 26,000 9,922

Total 1,801 1,009

UNLEADED GASOLINE

WHICH (42,000 US gal: \$/barrel)

Sett Day's price change High Low

Apr 1.825 -0.001 1.826 1.810 26,000 9,922

May 1.770 -0.005 1.775 1.765 26,000 9,922

Jun 1.745 - 1.745 1.725 15,498 7,267

Jul 1.770 -0.005 1.775 1.765 26,000 9,922

Aug 1.770 -0.005 1.775 1.765 26,000 9,922

Sep 1.770 -0.005 1.775 1.765 26,000 9,922

Oct 1.770 -0.005 1.775 1.765 26,000 9,922

Total 1,801 1,009

LONG GILT FUTURES OPTIONS (LFFE) \$50,000 6 mths of 100%

Sett Day's price change High Low

Apr 108.1 -0.1 108.2 107.9 1,115 1,115

May 108.1 -0.1 108.2 107.9 1,115 1,115

Jun 108.1 -0.1 108.2 107.9 1,115 1,115

Jul 108.1 -0.1 108.2 107.9 1,115 1,115

Aug 108.1 -0.1 108.2 107.9 1,115 1,115

Sep 108.1 -0.1 108.2 107.9 1,115 1,115

Oct 108.1 -0.1 108.2 107.9 1,115 1,115

Total

FINANCIAL TIMES

Number One Southwark Bridge, London SE1 9HL
Tel: +44 171-873 3000 Telex: 922186 Fax: +44 171-407 5700

Saturday April 8 1995

Picking a role for the UK

Every ambitious actor hates being landed with the same old roles. But sometimes the choice is between being typecast, and not being cast at all. Mr Kenneth Clarke, the UK chancellor, is suffering a similar problem. He has vowed not to repeat the economy's past performances on the world stage. For now, however, that means letting other countries nab all the juicy roles.

Were sterling still a member of the European exchange rate mechanism, for example, Mr Clarke might now be playing the grateful servant of the Bundesbank. The French, Belgian and Danish central banks were each able to trim very short-term interest rates by a quarter of a percentage point, on Thursday, courtesy of Germany's interest rate cut the week before.

Heartwarming though their rendition was, Mr Clarke can hardly wish to emulate these countries' membership of Europe's currency "core". Overnight rates in all three countries remain higher than they were at the start of last month, and certainly above the level they would select for their recuperating economies if they were not indentured to German monetary policy.

It is no less fortunate that the UK need no longer fear a place at the indebted periphery of Europe. Here, Sweden and Italy are the scene-stealers, struggling to defend their currencies as investors take fright at their excessive levels of public debt.

The Swedish government tried a third time this week to reassure the markets, announcing that additional spending cuts would be included in the country's "spring budget" later this month. Unfortunately, investors noted a rogue element in the package - a hefty cut in value added tax charged on food - and Swedish bond yields ended the week little changed, at a punishing 11½ per cent.

Healthier finances

The austere budgets of 1993 and 1994 - which imposed their final tax increases on the UK consumer at the end of this week - have put the UK's finances into an altogether healthier state. Indeed, many a Conservative backbencher would have us believe they are healthy enough for Mr Clarke to look west, to the US Congress, for a role model.

Led by Mr Newt Gingrich, the Republican majority in the House of Representatives capped this week by passing a giveaway tax-cutting package. Tories in marginal seats would die for the bill, now awaiting a Senate vote, offers some \$199bn in tax reductions, without so much as a closed hospital in return.

Tempting though this may be,

Mr Clarke has rightly attempted to lower hopes of a similar bonanza in the UK in forthcoming budgets. Public-sector borrowing, although falling, is still running at more than \$30bn per year. Tax cuts, at the peak of the economic cycle, run the risk of landing the chancellor with the inflationary script he has been trying to avoid.

Mr Clarke, at any rate, can safely defer the question of tax cuts until he presents the budget in November. The 4½ per cent decline in the value of sterling, on a trade-weighted basis, since the beginning of the year is a rather more pressing concern for monetary policy.

The chairman of the US Federal Reserve, Mr Alan Greenspan, has so far appeared indifferent to the inflationary consequences of a much larger decline in the US currency in recent months. For the moment at least, both Mr Clarke and Mr Eddie George, the governor of the Bank of England, seem happy to emulate him.

Lacking arguments

Does this mean that Mr Clarke should take a lead exclusively from Mr Greenspan? Not quite.

Whatever doubts exist about the wisdom of Mr Greenspan's decision to increase interest rates, he has two arguments on his side that Mr Clarke lacks. First, other things being equal, exchange rate changes have a much smaller impact on domestic prices in the US than in the UK, since trade represents a much less significant chunk of gross domestic product in the US than it does in the UK. Second, the US, while afflicted with rising producer prices, has experienced a much smaller acceleration than the UK over the past year. US producer prices grew 1½ per cent in the year to February, compared with more than 3½ per cent in the UK.

The clear slowdown in both UK industrial production and retail sales over the past three months implies that UK interest rates can be put on hold for the time being. Figures released last week showed that on average, production fell 0.25 per cent in the three months to February, compared to a peak of more than 2 per cent average growth in the three months to June 1994. Yet as long as sterling remains weak, this must be a policy under constant review. Mr Clarke would certainly be foolish merely to take his cue from the US.

Sir Ian Gilmour, the former Foreign Office minister, was more

The circus came to Washington this week in more ways than one. There were elephants stomping round Capitol Hill and a furry bearcat messing up Newt Gingrich's hair. The Speaker left the chamber to pet the massive symbol of the Republican party - there were no Democratic donkeys - and proclaimed: "We have the outer circus and the inner circus," while the Democrats sang Stephen Sondheim back at him: "Send in the clowns... don't bother, they're here."

But at midnight, long after the animals had left, it was the ringmaster of the House of Representatives who was in carnival mood. On the 51st day of the party's control of the legislature, the House passed a \$189bn (£118.12bn) tax cut bill, the last item in the Republican Contract with America election manifesto. That meant, as Mr Gingrich has said in countless interviews and articles, that his party had "kept the faith" with the country.

After years of broken promises, "a certain degree of trust and respect has been restored," he wrote in the USA Today newspaper. "We now invite all Americans to join us in a New Dialogue" appropriate for the 21st century, thus neatly implying that the New Covenant of US president Bill Clinton, not to mention JFK's New Frontier, and even FDR's New Deal, should be confined to the dustbins of history.

There is substance to the Speaker's brave claim - although such a plan within a month and is challenging Mr Clinton to do likewise before he goes to Moscow on May 8.) It is, therefore, highly probable that the component parts of the Contract's "crowning jewel," as Mr Gingrich calls the tax bill, will turn to dust in the Senate. First on the chopping block will be the \$105bn worth of child tax credits that prompted objections from moderate House Republicans, let alone Democrats, because they so clearly benefited the better-off.

Mr Gingrich himself has admitted that the public relations battle for the Contract has not been won outside the House, which perhaps explains why no man in America, including OJ Simpson, has received more ink space and air time over the last week. Not only did he offer an interview on non-commercial TV, whose funding he wants to eviscerate, but he even sought - and partly got - live network coverage of a prime-time speech last night celebrating the first 100 days, a privilege hitherto reserved for presidents. He is the unsurprising guest on Ross Perot's weekly radio programme tomorrow.

In almost all his appearances he ascribes the blame for criticism of the Contract to his longstanding bête noire - the "insidious culture" of Washington, which cannot abide change, a "liberal media" with its "socialist" editorial writers, and Democrats, including the president, for playing up the "class warfare" from school lunches through orphanages to tax breaks for billionaires.

The problem for Mr Gingrich is that none of his villains appears particularly intimidated or impressed at present. He has received his due share of praise from non-conservative quarters as "the most powerful Speaker since the legendary Sam Rayburn" (Newsweek), for bringing "a useful, fresh breeze to Washington" (Time) and for "changing the nature of the debate" (Congressman Robert Matsui, the California Democrat).

But the brickbats have also been flying, none thrown harder than by

Newt Gingrich and his Contract with America still have to win the public relations battle outside the House, says Jurek Martin

Ringmaster in the lions' den

Republican Contract score card

House floor	Senate floor	President
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Congressional reforms		
Congressional accountability	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Budget	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Reformed budget constitutional amendment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Line-item veto	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Anti-crime	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Victim restitution; mandatory rule; prison grants; etc; criminal alien; police and prevention; death penalty	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Welfare reform	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Limited welfare eligibility; force recipients to work; discourage out-of-wedlock births; give states more control	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Family tax relief	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Tax breaks for child adoption and elderly care; increased penalties for child pornography	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Tax cuts	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Middle-class: \$200-per-child tax credit; ease "marriage penalty" in tax code; expand individual retirement savings accounts	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Reduce capital gains tax	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
National security	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Prohibit defence cuts to finance social programmes; develop an anti-ballistic missile system; prohibit use of US troops in UN missions under foreign command	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Social security savings test	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Permit senior citizens to earn up to \$20,000 a year without losing benefits; repeal 1993 increase in amount of benefits subject to income tax	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Unfunded mandates and regulation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Unfunded mandates	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Regulatory freeze	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Paperwork reduction	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Regulatory overhaul	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Legal	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Legal reform and product liability	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Term limits	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Limit the terms of senators and House members	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<input checked="" type="checkbox"/> Passed <input checked="" type="checkbox"/> Rejected		

Kevin Phillips, a commentator of solid conservative credentials. Writing in the Los Angeles Times he dismissed Mr Gingrich as "a second-rate history teacher" and the first 100 days as no more than "some reform, a dose of political bromides and all too many gimmicks," which were already in the Senate "shredder" and whose net impact would be "marginal".

RW Apple of the New York Times, who thinks the president is still a "long shot" for re-election without such divine intervention as an independent candidate, wrote that "stress fractures" inside the Republican party and the Speaker's own controversial personality have made the White House's relative

passivity seem like a wise strategy. "Like Mr Clinton, he seems part of the problem," because "the more people know about the Speaker the less they like him".

That certainly is the evidence of public opinion polls, which may be used fairly against Mr Gingrich since he is so fond of otherwise adorning them in support of everything from constitutional amendments to lower taxes. His own approval ratings appear stuck in the 30s at best, well below the percentage for those who disapprove, while ratings for the Contract itself are little better.

The New York Times/CBS poll this week was totally consistent with other recent findings. It found

47 per cent "disappointed" with the first 100 days, 61 per cent believing the Contract favours the rich, and 56 per cent preferring deficit reduction to tax cuts, and, most telling evidence of the divide between Washington and the rest of the country, a mere 38 per cent claiming to have read or heard anything about the Contract at all.

Only in one area, welfare reform, had it struck a major chord. No less than 96 per cent thought the system needs fundamental change, 66 per cent that administration should be handed over to the states, as stipulated in the House bill, and 56 per cent that it was right to deny extra welfare benefits to unmarried mothers who have more children while on assistance.

Numbers like this might serve as a spur to the Senate to produce a reform bill along House lines, which would dismantle a federal social safety net of 30 years standing. But there are sitting Republican senators, like Mr Dole, who helped build the welfare system or who are presidential candidates or who are, presumably, not nervous that their party should be associated in the public mind with favouring the rich while bashing the poor.

Politicians and policy analysts are also concerned that haste in the House, under the gun of Mr Gingrich's 100-day deadline, has made for bad lawmaking. Nobody, for example, seems to know exactly how the line item veto will work in practice, beyond that the president is now expected to sign as many as 10,000 individual appropriations bills rather than the present consolidated 13 - although he does have a signature writing machine. It could be a legislative, as well as paperwork, nightmare if Mr Clinton uses the veto frequently and Congress tries to override him.

Even some House Republicans are having second thoughts about the "loser pays" provision in the tort reform and product liability bill passed by the House. Designed to discourage frivolous lawsuits from clogging up the courts, they have now conceded this could unfairly stack the legal deck against a plaintiff of modest means, especially if suing a deep-pocketed corporation.

The whole debate over "fairness", both in the Contract and in a variety of separate regulatory and environmental bills in front of Congress, probably moves the political battleground closer to Mr Clinton's natural empathetic turf. The line from vice-president Al Gore, interviewed almost as often as Mr Gingrich this week, is that the Republican party has been captured by extremists and ideologues with rich paymasters expecting a return on their investment.

Or, as one presidential strategist told RW Apple: "We finally have people talking about tax breaks for the rich and cutting off school lunches for poor kids instead of Bill Clinton and his character problems and his capacity to govern. It can only help us".

Comparisons between the first 100 days of the president and the Speaker are irresistible. Neither came to power with much of an electoral mandate, but both promised a whirlwind of change, and, in the initial phase, both delivered. Mr Clinton then repudiated a bitter harvest when the public could not keep track of, or did not much like, all he wanted to change. This is the acid test facing Mr Gingrich and his Contract now - and they offer much more radical medicine than anything the president prescribed. But the circus is still popular.

MAN IN THE NEWS: Edgar Bronfman Jr

A curable romantic

Is Edgar Bronfman Jr a star-struck socialite whose passion for showbusiness has clouded his business judgment? Or has that passion given Seagram's youthful chief executive a shrewd insight into the rewards of investing in the entertainment industry?

Seagram-watchers will be weighing these questions as they digest Mr Bronfman's apparent plan to replace the international drinks group's hugely profitable investment in Du Pont, the US chemicals and energy producer, with a controlling stake in MCA, the Los Angeles-based film, music and theme-park conglomerate.

Du Pont announced this week that it is to buy back the bulk of Seagram's 24.1 per cent stake for US\$6.5bn (£2.5bn). The proceeds will give the drinks company enough cash for a big acquisition that could fundamentally alter its character.

Details of that acquisition have yet to be disclosed. But Seagram is believed to be negotiating to buy all or part of MCA from Japan's Matsushita, the consumer electronics group.

Markets have not taken kindly to the prospect of Seagram swapping a solid, if somewhat unexciting, investment for an exciting, but perhaps not so solid, one. The company has lost almost a quarter of its value on the Toronto stock exchange since rumours about the Du Pont and MCA deals surfaced 10 days ago.

Looking at Mr Bronfman's background, outsiders can be forgiven for wondering whether Seagram has been dazzled by the glamour of owning MCA, whose assets include Universal Studios and MCA Records.

He dabbled in film-making and song-writing after dropping out of

high school. Several of his closest friends are in the entertainment world. His first wife was an actress. A profile in New Yorker magazine last year observed that "beneath a veneer of reserve, Edgar Bronfman Jr is a hopeless romantic".

Doubts about Mr Bronfman's priorities have been heightened by the knowledge that he would almost certainly not be at the helm of Seagram were it not for his family connections.

The origin of the Bronfman family's association with Seagram dates from 1928 when Sam Bronfman, Edgar Jr's colourful grandfather, bought Joseph E Seagram & Sons, a Canadian distillery. At this time, prohibition in the US had spawned a roaring trade in bootleg liquor across the 49th parallel marking the border between the US and Canada.

Seagram, which has never acknowledged profiting from prohibition, has become one of the world's biggest drinks companies, with 1994 sales of \$6.4bn. Its brands include Chivas Regal and Glenlivet scotch, Absolut vodka, Mumm champagne and Tropicana orange juice.

The company's expansion in recent years would not have been possible without the investment in Du Pont, acquired in 1981. This has to date paid Seagram about \$2.5bn in dividends. Sam Bronfman's three surviving children - Edgar Sr (now company chairman), Charles, and Phyllis Lambert - still own 38 per cent of Seagram.

While the company maintains a small head office in Montreal, its top executives are now based in New York. The two Edgar Bronfmans, father and son, are US citizens. Charles, who lives in Montreal, is co-chairman, but takes little part in day-to-day operations.



Phyllis has made her name in architecture, but keeps a low profile in Seagram's affairs. Another sister, Linda, died some years ago.

Edgar Jr, who turns 40 next month, joined the family business in 1982. He became president seven years later and succeeded his father as chief executive last June. His elder brother, Sam, runs Seagram's US wine division.

Edgar Jr reinforced the impression that entertainment ran in his blood by spending \$30m in 1993 and early 1994 to accumulate 15 per cent of Time Warner, the New York-based group whose businesses range from Time magazine to the Warner Brothers film studio.

To his credit, however, the younger Bronfman has also kept his eye on other parts of the business. "Since Edgar Jr's arrival as president, the company has become more focused and more driven," says one Montreal-based analyst, who describes him as "a thoughtful and capable manager."

Mr Bronfman has been closely identified for the past year with a "re-engineering" project which is designed to shake up the drinks business. The project has covered everything from the optimal number of orange-juice warehouses to financial management systems.

According to one Seagram official, Mr Bronfman hopes to instil a new corporate culture which puts greater emphasis on teamwork and co-operation between divisions.

MCA may be in a riskier business than Du Pont. But as Mr Bronfman sees it, the explosion in North American popular culture and the innovative technologies being brought to television, music and films make entertainment in the 1990s what oil and chemicals were in the 1940s and 1950s.

"There is nothing wrong in my view, with anyone being interested in what is clearly the fastest-growing, most global industry in North America," he said at last year's Seagram annual meeting.

Even Mr Bronfman's critics acknowledge that he has shown no inclination to run the company as a personal fiefdom.

The Time Warner investment was the culmination of a lengthy process which included consultations with several outside advisers and a look at many other sectors, including luxury goods and fragrances.

Furthermore, Bronfman family members and their employees are in the minority on Seagram's board. "Notwithstanding the portrayal of Edgar as a star-struck young man, this is a fairly rational organisation run by reasonable people," according to one analyst.

But no matter how rational the decision to swap a stake in Du Pont for control of MCA may seem inside Seagram, Mr Bronfman faces an uphill battle to convince outsiders that he is taking the family business in the right direction. If he succeeds, former Seagram shareholders who have sold their stock will live to regret their decision.

Bernard Simon

FOR CONTINENTAL TRAVEL

ONE CALL DOES IT ALL

0345-300-003

SIMPLY RING US AND YOUR TICKETS AND RESERVATIONS WILL BE IN THE POST THE SAME DAY

5000 EUROPEAN DESTINATIONS
Book rail travel throughout Europe by TGV or other high speed services. Travel for group rates, charter or special fares. A single country available with local travel.

EUROSTAR BOOKINGS
Travel Europe direct from London to Paris or Brussels, day service to Amsterdam, 3 hours.

INTERCITY SERVICES TO LONDON
Bookings on InterCity routes from all major cities. The Rail Shop's 24 hour European rail booking service.

SPECIAL FARES
We offer special fares for under 26s, couples, and senior citizens. Rail Eurodomino.

1400 EUROPEAN HOTELS
We have special arrangements with 1400 good quality hotels in major cities and holiday resorts across Europe. Special offers on the lowest for business or pleasure.

CAR HIRE
We are offering a range of special rates for a car hire company.

TRAVEL INSURANCE
We offer a range of travel insurance policies to protect your holiday and your money.

the Rail Shop

Telephone lines are open Monday to Friday 8.30am to 6.00pm, Saturdays 9.00am to 11.00am. Access / Mastercard / Visa. FOR BOOKINGS ONLY CALL 0345-300-003. For credit information only call 0991-515-4777. Calls charged at 40p per minute plus 30p at all other times.

150 من المال

At last weekend's mid-year Conservative party conference in Birmingham, Mr John Major said in an unusually powerful speech that it was possible to "look at the polls too much and your principles too little".

In the next few days, however, Tory strategists will be studying the party's disastrous performance this week in the Scottish local elections to cull whatever lessons they can for next month's council polls in England and Wales. And for the general election. This is now even more likely to be delayed by the prime minister until the last possible moment, in mid-1997.

The raw data from Thursday's election are shocking for the government. It won just 11 per cent of the vote - down from 26 per cent of votes cast in Scotland at the last general election in 1992. Labour, meanwhile, polled 46 per cent, up from 39 per cent in 1992.

Just 51 Tory councillors were elected in the 1,100 seats up for grabs. Not one of Scotland's 32 local authorities is now under Conservative control.

If those trends were translated into similar swings in May's council votes in England and Wales, the widespread prediction of more than 1,000 Tory council losses - about a third of all Conservative seats up for re-election - could turn out to be a severe underestimate.

The Conservative predicament was palpable. A visibly demoralised prime minister blamed party disunity for the poor performance - and in a magnanimous gesture more

Higher hurdles along the track

The dire Scottish local election results hold several lessons for the Tories, says Robert Peston

usually reserved for general election defeats, he congratulated Mr Tony Blair, the Labour leader.

Meanwhile Mr Blair travelled to Scotland to congratulate his victorious team, his words and confident demeanour reminiscent of a football manager who has just won a minor trophy - the Scottish league cup, perhaps - but has his eyes set on the double or even the treble.

The Labour leader said he would not become complacent and acknowledged there was much to be done to secure the prize he values most: the key to 10 Downing Street.

Mr Blair is probably right not to be over-confident - and Tory fears may diminish as they reflect on the results over the weekend. The salient point is that Scotland is not a microcosm of the United Kingdom as a whole.

There are important factors in Scotland which do not exist in the rest of the country - and the Scots vote in local elections is traditionally not a good indicator of what the English and Welsh will do in their council polls and is an

even less reliable guide to general election behaviour throughout the UK.

One important difference between Scotland and the rest of the country is that the third party north of the border - the Scottish National party - is a more effective challenger to the main parties in Scotland than the Liberal Democrats are elsewhere. Disaffected Tories who would never dream of vot-

ing Labour have voted for the SNP - particularly in remote parts of Scotland.

A second difference is that Conservatives in Scotland are quite literally members of a dying party. Hard statistics are scarce. However, widespread anecdotal evidence suggests that party activists in Scotland are significantly older than their peers in England.

There is also the general point that the way voters behave in local elections tends to be different from what they do in general elections.

Council polls present disgruntled Tories with the opportunity to make a protest vote against an unpopular government, without having to make the more serious decision of

turning out that government.

In this respect, the future over the BBC *Panorama* interview with Mr Major - which the courts prevented from being screened in Scotland ahead of the elections - was particularly ill-timed for the government. According to Professor Alan Alexander of Strathclyde University: "Panorama touched a raw nationalist nerve [because it reminded the Scots that the political agenda is set in London, in another country]. It got people out to vote who would otherwise have stayed at home."

There is one respect in which the council elections are particularly disturbing for the Tories, however. Unlike the last general election and some by-elections, the outcome closely mirrored opinion polls of the preceding few days. As Mr Roger Mortimer of Mori, the polling organisation, said: "It shows the Tories are in as much trouble as we thought they were."

The timing of the Scottish debacle is particularly unfortunate for Mr Major, because it comes less than a week after he spelt out his strategy for the general election.

This partial relaunch - in part a pre-emptive move to head off a leadership challenge in the autumn - was built



around five themes intended to appeal to the middle classes of "middle England". These are: "prosperity and security"; "opportunity"; "decent and commonsense values"; "first-class public services"; and "pride in our nation".

superceding the 1979 Thatcherite programme, which is seen by the prime minister as having achieved its main objectives - the small print of the speech indicated that this was more a repackaging of existing ideas than a sally into a brave new world of radical initia-

tives. Many Conservatives therefore question whether the agenda goes far enough to stand a chance of reviving the party's flagging support.

The election result may also have dealt a blow to Mr Major's hope of putting the defence of the traditional

Anglo-Scottish union at the centre of his general election campaign. With 72 per cent of Scots voting for Labour and the SNP - Labour on a platform of devolution of powers to Scotland and the SNP on one of outright secession - the case for maintenance of the status quo seems definitively lost.

But Mr Major performed much more confidently in public over the past week than he has for months. His speech to the mid-term conference was assured and combative. He gave a highly plausible performance in the *Panorama* interview. And he achieved a notable success in his four-day visit to Washington by persuading President Bill Clinton to give firm public support for his policies in Northern Ireland.

Further to Mr Major's credit, it appears - on the basis of recent opinion polls - that he trails in popularity behind Mr Blair by a narrower margin than the Tories' overall opinion poll deficit against Labour. This prompted Mr Douglas Hurd, foreign secretary, to argue yesterday that "the case for a change [in Tory leadership] collapses".

Whether his colleagues will remain so loyal later this year - after harrowing results in the council elections and the almost certain loss of the Tory parliamentary seat of Perth and Kinross in a by-election likely in June - is open to question.

One disaffected Tory said yesterday: "I think the stalking horse [for a leadership challenge] is being groomed for the paddock." Mr Major faces a long, hot summer.

Terry Hall on Maori anger over unsettled claims in New Zealand

New Zealand has long been proud of its record in dealing with racial conflict between European settlers and the Maori minority, so much so that it has seen itself as a model for other countries with indigenous populations.

Mr Doug Graham, the New Zealand justice minister, boasted on a visit to Brisbane last year that his country had big advantages over Australia and Canada because it had a clearly written treaty on relations between settlers and Maoris and full intermarriage between the races. Fifteen per cent of New Zealanders, he said, were proud to have Maori ancestors.

The government's complacency, however, has been shattered by an outbreak of Maori radicalism in recent weeks.

The first sign of trouble came at the annual Waitangi Day ceremony on February 6, which marks the signing of the 1840 treaty between Queen Victoria and Maori chiefs who ceded the country to Britain on condition they retained ownership of its land, rivers and sea.

Maori activists tried but failed to firebomb the residence of the first governor and then stormed the grounds where the ceremony was taking place. Mr Tame Iti, a heavily tattooed protester, spat at Dame Catherine Tizard, the governor general, then removed his shorts and waggled his bare buttocks in a show of contempt before tramping on the New Zealand flag.

An already tense atmosphere was worsened when Mr John Carter, a junior minister, pretended to be a Maori living on the dole in a call to a radio talk show last month. The broadcast suggested the government was badly out of touch with the growing racial conflict between Maoris and other races, and an embarrassed Mr Jim Bolger, the prime minister, forced Mr Carter to resign this week.

Protests by Maori radicals, demanding land and hunting on the right to rule themselves, have proliferated. Activists have blocked roads, occupied parks and schools, and twice beheaded a statue of a colonial politician. On one occasion they delayed the start of the national television news for 10 minutes by taking over the studio in Auckland. Outraged Europeans have complained about police reluctance to intervene, saying that the police would not hesitate to arrest Europeans carrying out similar demonstrations, and there are fears of a white backlash.

The burden of times past



Maori anger: protests have shattered the government's complacency

In what is now seen as a serious error of judgment, the government last year gave the radicals a platform for protest by offering Maori tribes NZ\$10m (241.6m) in full and final settlement for all land and other assets seized wrongfully since 1840. Known as the "fiscal envelope" - a phrase invented by the treasury - the proposal was designed to set a cap on land claims by Maori groups which, on some calculations, total NZ\$35m. The year 2000 was set as the deadline for completion of negotiations. Legislation would end all rights to reopen claims or question the justice of land settlements after that date.

Maoris were outraged because the plans did not recognise what they saw as their rights over natural resources - an important part of the original treaty - and because of the apparently arbitrary sum of NZ\$10m, which they say is too low.

Sir Tipene O'Regan, the leader of the Ngai Tahu tribe of South Island Maoris, says: "It is the same old 19th-century, take-it-or-leave-it

terms that we have found so repugnant in the past."

The government has lost the public relations battle over the package. Mr Graham, the justice minister who is also minister in charge of treaty negotiations, has toured the country addressing nine big gatherings of Maoris. All have rejected the proposals.

Mr Graham says ideally he would have been able to sit down with Maori leaders without preconceived ideas of where the financial limits were. "But once you accept that the Crown has not got NZ\$100m or whatever, you've got to ask what it is the Crown can realistically do. Because otherwise taxpayer support isn't going to be forthcoming."

The NZ\$10m limit, Mr Graham says, was set for negotiating purposes and could be increased. He says he is hurt that Maori leaders rejected the proposals out of hand after three years of preparation and

75 cabinet papers, and calls the actions of protesters who have disrupted his meetings with Maoris "nothing short of terrorism". He adds he is worried about a "loony white backlash". "If both sides get so outraged with the actions of the other that the whole thing is put off, we're just leaving it for the next generation to worry about."

Land seized from Maori tribes in the 19th century is among the most contentious issues. A special court called the Waitangi Tribunal has been quietly settling many claims, although many Maoris are impatient at the tribunal's slow progress.

More worrying for many Europeans is an increasingly vociferous debate over a hitherto ignored article in the Waitangi Treaty - the rights to Maori sovereignty and self-determination. There is little agreement on what the article means.

Intermarriage over the past 200 years with Europeans means there are few, if any, people of pure Maori descent. New Zealand law allows anyone who "feels Maori" to call themselves Maori. Many radicals look more European than Maori. Yet in confrontations with police, radicals usually say they want to be charged under Maori law, and often courts send Maoris to be tried by tribal elders for minor offences.

It would be difficult to develop a separate Maori political and judicial system for 400,000 people in a population of 3.5m. Successive prime ministers have scorned the idea, not least because intermarriage means half the population is expected to have Maori blood by 2040.

But there is a racial problem. Maoris tend to have the lowest incomes, worst health and lowest educational achievements, and they are over-represented in prisons and unemployment statistics.

Until this year's Waitangi Day, there was a feeling in New Zealand that every effort should be made to improve these statistics and correct past wrongs. But recent protests by Maori radicals have cost their cause much goodwill among Europeans and raised concerns that their demand for the return of land will frighten away foreign investment and skilled migrants.

The issue is the biggest headache facing Mr Bolger, whose efforts to settle racial grievances for all time has gone badly awry. Failure to settle the problem is a prospect most New Zealanders - Maoris, whites, immigrants from Polynesian islands and other Asians - find too frightening to contemplate.

Scotch and cream

Hey, you've actually reached a point where you're reading the articles in here!" runs the Dewar's Scotch whisky advertisement in *Playboy*. "That calls for a drink."

Celebration might be in order either way - for the "ageing" of *Playboy* readers or the "youthing" of Dewar's drinkers. For Guinness, Dewar's distiller, it is the latter. It says 18 months of efforts to convince young American adults to switch to Scotch are beginning to pay off.

"There is still an enormous amount to do overcoming what amounts to a generation of neglect," Mr Tony Greener, Guinness chairman, said recently. But he adds, "the evidence to date is encouraging".

New advertising with the message that Scotch is a drink for consumers who are young but mature, affluent but discriminating, is finding its target. Some 50 per cent of 21-to-34-year-olds polled say the campaign "gives them a totally new impression and made them think again about the brand", according to Mr Greener.

Of the 300,000 consumers who have tried Dewar's in US bar promotions since the brand relaunch, about a fifth have taken up the drink.

Regeneration of a product's consumers can be a problem for any long-established brand if it fails to recruit continually. For distilled drinks the problem is more severe, because of the history and social mores attached to them. Scotch carries the greatest burden, but gin, sherry and port also suffer.

But regeneration is not an issue for Scotch around the world. In the mature markets of the UK and North America it is the drink of older consumers. In developing markets such as Spain, France, Italy and Greece it is a trendy young person's drink.

In Spain, for example, some 29 per cent of 18-to-24-year-olds have drunk Scotch in a given month, only just below the UK rate. But only 6 per cent of Spaniards aged 65-84 drink it, compared with nearly 70 per cent in the UK.

The conventional wisdom in the industry was that young people deliberately choose a different drink from their parents. It was therefore deemed a near-impossible task to win over young adults in the US and UK.

Complacency was another factor in those markets. "When they were growing at 10 per cent a year in the 1960s and 1970s we kind of forgot



to recruit. We missed a whole generation," says Ian Meakin, marketing director of United Distillers, Guinness's spirits subsidiary.

For many years after Scotch consumption in the US began to decline in the early 1980s, distillers

failed to address the problem or they tackled it in the wrong age group. They went after people at least 35 years old. The breakthrough in the early 1990s was the realisation that the 21-25 age bracket was the most impressionable and thus the most likely to

recruit. "We missed a whole generation," says Ian Meakin, marketing director of United Distillers, Guinness's spirits subsidiary. For many years after Scotch consumption in the US began to decline in the early 1980s, distillers

failed to address the problem or they tackled it in the wrong age group. They went after people at least 35 years old. The breakthrough in the early 1990s was the realisation that the 21-25 age bracket was the most impressionable and thus the most likely to

acquire a taste for Scotch. "That's when people are experimenting with alcohol," says Mr Nick Fell, senior vice-president, marketing, of Schieffelin & Somerset, the Guinness-LVMH sales joint venture in the US. "As you age, you spend less time entertaining outside your home. Your social circle and choice of drinks narrow."

"A lot of behaviour is learnt in bars," he adds. "We had to adopt the style leaders." So, borrowing from its success in recruiting young drinkers in the bars of southern Europe, Guinness turned to the bars of New York.

A long time was spent honing the bar tastings - for instance, devising cocktails such as Dewar's Margarita to maximise their impact before taking them to other cities. Advertisements, such as the one in *Playboy*, pursued the line that acquiring a taste for Scotch was part of growing up.

So far the impact on consumption has been small but beneficial sales in bars with promotions are growing at about 5 to 7 percentage points faster than in those without. To broaden the base of UK consumption, Guinness launched last year an older, smoother blend of Bell's, the Scotch market leader. The idea is to keep its traditional drinkers while drawing in younger ones through bar tastings and other promotions.

However, the Bell's advertising line - "It's challenging stuff", presented in a rough, manual type-writer typeface - and a switch in sponsorship from golf to football leaves some of Guinness's competitors cold. "It's a bit like a 45-year-old trying to squeeze into a pair of Levi 501s," says one.

But Guinness can try to avoid some of the culture clash by careful choice of media. It is better that old buffers drinking Bell's and soda do not know that the Bell's Scotch Monk - whisky, Kalms and cream - was the hit cocktail of a young man's fashion show last autumn in London.

Some competitors are less sure than Guinness that marketers can bend the age profiles of drinks. Thus, argues Allied Domecq, it is a big advantage to have a stable of bourbons, Canadian and Scottish whiskies to appeal to different age groups.

Guinness does not underestimate the challenge. In a process akin to Chinese water torture it will take the steady drip, drip, drip of marketing to reshape the age profiles. "This is somewhere between a five- and 10-year programme," says Mr Fell.

Plan to avoid melt-down

From Professor Ira Sohn.

Sir, Stephen Fidler's report ("Guarantees likely for private sector loans", April 4) on the discussion, at the annual meeting of the Inter-American Development Bank, on ways to avoid another Mexican-style financial melt-down in emerging market countries is regrettably neglected to address the concerns of two obvious and very interested parties: investors and neighbouring emerging market countries.

Assuming open trade and market-oriented reforms continue, Latin America will need more, not less, capital - most of it private and much from external sources. In an age of rapid changes in economic and financial environments, I pro-

pose that quarterly summits be held among the various investor groups and governments of the "neighbouring" emerging market countries outside the existing Group of Seven, International Monetary Fund and IADB formats.

As recent events have proved, countries such as Argentina and Brazil have as much at risk from economic policy errors and lack of transparency in financial information in Mexico as investors in these countries.

Ira Sohn, professor of finance, School of Business Administration, Montclair State University, Upper Merion, New Jersey, US

Childhood dream achieved

From Mr Stephen L Phillips.

Sir, I was interested to read in the caption to your front-page picture (April 6) that Mr Newton Gingrich, Speaker of the US House of Representatives, is longed as a child to run a zoo. If his job is anything like that of Betty Boothroyd,

Speaker of the UK House of Commons, he has achieved his ambition. Stephen Phillips, chairman, Elycare, Wycombe, Whitegate Industrial Estate, Wrexham, Chwyd LL15 8UG, UK

LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL

We are keen to encourage letters from readers around the world. Letters may be faxed to +44 171-973 5938 (please set fax to "line"). Translation may be available for letters written in the main international languages.

Prophecies cannot be ignored

From Mr Stephen Tindale.

Sir, Browne Maddox is right ("Retreat of the greens", April 4) that people choose to protect the environment less often than green lobby groups would wish. But to use this fact to imply that environmentalists are therefore wrong is curious logic indeed.

Maddox refers to "alarming prophecies which fail to happen". It is easy, with hindsight, to be dismissive of the limits-to-growth school of environmentalism which dominated debate in the 1970s.

But other "prophecies" have proved accurate. Urban air pollution is seriously damaging our health - one in seven children now has asthma. More than half of Britain's trees are now damaged by acid rain. And thousands of plant and animal species, of incalculable value to medicine and to industry, are becoming extinct

as tropical forests disappear.

On climate change, the science may be incomplete, but it is not particularly uncertain. Increased concentrations of greenhouse gases will lead to warming. Of course, the exact scale of change is unpredictable. But we do not dismiss the science of economics because it cannot predict the rate of inflation next year. Why should we dismiss the science of climatology because it cannot predict the rate of warming next century?

Maddox also claims that "the costs of taking steps to reduce the threat are high". This is wrong. The British government has accepted that the UK wastes £10m of energy every year, which could be saved cost-effectively even at current energy prices. The Confederation of British Industry publishes a newsletter called *Environment Means Business*, which details how better environmental policies can help the bottom line. Successful economies like Germany and Japan use far less energy per unit of gross domestic product than does the UK.

The environmental agenda is partly about conservation for future generations. But it is also about reversing local environmental degradation, improving the quality of life and protecting public health in the process.

The backlash against environmentalism may be the flavour of the month. But the growing demand for higher standards will prove hard for politicians and business to ignore.

Stephen Tindale, research fellow, Institute for Public Policy Research, 30-32 Southampton Street, London WC2E 7RA, UK

Good name

From Mr John Pincham.

Sir, Lloyd's Names are paring with fortunes to pay retrospectively imposed US asbestos and pollution claims under policies issued in the names of their deceased predecessors and which expired decades ago. They should recognise that so preserving the "good name" of Lloyd's is only potentially advantageous to those continuing to trade (many with limited liability and ring-fenced from the past) and the market professionals they must employ.

The acceptability of UK, US and Bermudan insurance company security does not seem to be prejudiced by their general unwillingness to pay such claims not collectible from failed companies.

John Pincham, 35 Lodge Close, Stoke D'Averon, Surrey KT11 2SG, UK

Welcome move in Europe

From Ms Sarah Ludford.

Sir, The news that the European Commission is moving towards modern financial and personnel management is extremely welcome ("Reform begins at home", April 4).

The arguments of pro-Europeans have always been hampered by any evidence of mismanagement of incompetence in EU institutions. We have been able to deal with the more outrageous myths about the "Brussels bureaucrats", but those with even a grain of truth are more difficult to brush aside.

European citizens are now, quite properly, demanding greater democracy, accountability and openness in the conduct of EU affairs. We are in the difficult transitional phase when people, kept ignorant in the past of how Brus-

sels works, are turning from apathy to potential hostility as they learn a little. What they see is not always to their liking. Facile "Brussels is rosy" assurances rightly no longer carry sufficient persuasive force for an ever more demanding citizenry.

As we prepare in the UK for a general election campaign in which Europe will be a key issue, or even for a referendum campaign, every encouragement needs to be given to the forces of reform and professionalism in all EU institutions. That will make the task of us pro-Europeans so much easier. All power to commissioner Erkki Liikanen's elbow.

Sarah Ludford, chair, central London group, European Movement, 70 St Peter's Street, London N1 8JS, UK

An unusually swift decline

From Mr Declan L O'Sullivan.


Sir, Is the Polish population in fast decline? Your survey on Poland (March 28) states on page 1 that the population is 38.6m people. Page four states

that it is 38.5m people. Declan O'Sullivan, 8 Castlefield Manor, Malchfield, Malchfield, Co Dublin, Ireland

Morgan Grenfell Invest Fds Ltd - Contd.
1992-1993

Morgan Grenfell Invest Fds Ltd - Contd.
1992-1993

1 million influential people just like you
read the FT every day.



A loose insert talks
to them directly.

*Inserting your brochure or leaflet into the FT gives you a direct
line into the boardrooms of as many companies as you require,
reaching top executives when they are at their most receptive.*

*Your insert would appear **solus**, giving you their
undivided attention.*

*Find out more by calling
Mike or Jo on 0171 873 3362*

● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 873 4378 for more details.

One international financial institution fits comfortably in your briefcase.

Since 1926, The Banker has been acknowledged for its authoritative commentary on international banking. Every month, it provides essential market information on global banking. From capital markets to corporate finance, M&A to equity transactions, swaps to derivatives. Banking professionals would be well advised to consider its contents before acting. You'll find regular features such as country surveys to provide you with the inside track on political and economic

affairs worldwide. And our reviews on banking IT keep you abreast of the latest strategies and the technological advances behind them. Then there are our famous listings, widely recognised as the industry's definitive benchmark. Finally, The Banker is published by Financial Times Magazine, so you can be assured that our information sources are utterly reliable.

To see for yourself, just fill in the coupon below. We look forward to helping you make the decisions that shape the financial world.

THE BANKER

☐ **Yes**

send me 5 free issues of The Banker without obligation. I understand that during my free trial period you will send me a subscription form offering me 1 year's supply of The Banker. If I decide not to subscribe, I simply return the mailing request at the address below and I will not be sending. I will apply to your subscription card.

☐ UK, ECU ☐ Europe £110 ☐ Rest of World £150

05248A

Mr, Mrs, Miss _____ Job Title _____

Company Name _____

Address _____

Postcode _____

Tel _____ Fax _____

Number of Bankers _____

CALL 041 605 0025 or FAX BACK ON OUR HOTLINE 041 605 0025

Alternatively, return this form to: **THE BANKER, PO BOX 461 BROMLEY, BR2 9WP, UK**

Please Enclosed UK Banknote Number 20251 Registered Office, Vigil House, 15 Abchurch Lane, London, EC4N 3DF

[illegible]

٢
هكذا من الاصل

● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 873 4378 for more details.

Tel: 0171 873 3503 Fax 0171 873 3098

AMERICA

US stocks slide on weakness in bonds

Wall Street

US share prices slid sharply late yesterday morning on the back of a falling bond market, signalling a reversal of the optimism early in the day that the US economy was on course for a "soft landing," writes Richard Waters in New York.

At 1 p.m., the Dow Jones Industrial Average was 28.51 lower at 4,181.90, a fall of 0.6 per cent.

The Standard & Poor's 500, meanwhile, dropped 1.40 to 504.58, a loss of 0.3 per cent. The American Stock Exchange composite was down 0.31 at 468.56, while the Nasdaq composite was off 0.86 at 812.94.

The US employment report for March, which showed weaker-than-expected job growth, at first sparked a rise in Treasury bonds as traders projected a continued slowing of economic growth. However,

the rally failed to gain momentum and by mid-morning had reversed, prompting a sell-off in stocks.

By lunchtime, the benchmark 30-year Treasury bond had lost half a point, pushing the yield up to 7.387 per cent. Shorter-dated bonds held up better, with three-year Treasuries losing only 1/8 of a point to give a yield of 6.756 per cent.

Figures released early in the morning showed that 203,000 non-farm jobs were created in March, below analysts' estimates of 235,000. Also, the unemployment rate was modestly higher than expected at 5.5 per cent, compared with expectations of 5.4 per cent.

The news lifted long-dated bond prices by a quarter of a point. However, profit-taking took hold as the rally ran out of steam. The continuing plight of the dollar also helped to dampen enthusiasm.

The Dow, which is weighted

toward manufacturing companies, underperformed the broader indices.

Falling cyclical issues in the Dow included Caterpillar, off 1/2% at \$55.75, Minnesota Mining & Manufacturing, 1/4% down at \$57.75, Goodyear, 1/4% lower at \$38 and Bethlehem Steel, down 1/4% at \$15.4.

Dupont, which is also included in the Dow, posted a modest retreat from recent gains as shares fell 1/2% at \$62. Shares in the chemical company had risen since the beginning of the week on reports, confirmed late on Thursday, that Seagram would sell nearly all of its stake in Dupont back to the company.

Shares in Seagram dropped 3/4% to \$25 on the expectation that the beverage company would buy a majority stake in entertainment company MCA from Matsushita.

On the Nasdaq, Roberts Pharmaceutical dropped 3/4% at

\$22.4 after the company issued a warning that it would have a first quarter loss of 4 to 8 cents per share as opposed to the 23 cents per share it earned in the same period last year. The company also said that it had completed the purchase of two SmithKline Beecham products.

Canada

Toronto blamed Seagram's entertainment ambitions as the TSE 300 index sank 26.60 to 4,557.80 in hefty volume of 42.2m shares valued at C\$578m. Seagram, selling a massive holding in Du Pont and expected to buy Matsushita's MCA entertainment unit, fell C\$2.4 to C\$26.

Latin America

Buenos Aires was lifted by news that the IMF had approved a \$2.8bn loan package for the Argentine late on

Thursday. The Merval index was up 1.84 at 391.77 by mid-morning while the general index had advanced 20.53 to 13,992.08.

The IMF board said that \$1.64bn of the package would be made available immediately.

SAO PAULO weakened as investors began to speculate ahead of the forthcoming futures index and options settlement. The Bovespa index was down 619 or 2 per cent at 31,927 by midday.

MEXICO CITY made slight headway in early trade as market activity began to slow ahead of next week's holidays. The IPC index was up 1.13 at 1,915.91.

CARACAS closed slightly lower in thin trading. The Mercosur composite index eased 0.17 to 92.11 in turnover of 117m bolivars. Electricidad de Caracas lost 1.75 bolivars at 178.35 bolivars.

German equities suffer from D-Mark strength

Andrew Fisher looks at Frankfurt's hopes and fears

German equities have had a rocky start to a year which many experts had expected to provide a buoyant contrast to the poor trend of 1994.

With the D-Mark continuing its powerful climb on the foreign exchange market at the expense of the dollar, sterling and southern European currencies, shares are suffering from the darker outlook for exporters, 1995 is also turning out to be disappointing and forecasts for corporate earnings and performance of the DAX stock index are being scaled down.

"The D-Mark's strength is probably not something that will go away quickly," says Ms Katharina Stroth, German analyst at ABN-Amro Hoare Govett. "We are under-rating Germany now, whereas we were previously neutral."

It is not only the strong currency that is making investors twitchy. Company prospects have also been impaired by the high wage settlements agreed this year. Engineering workers will receive about 4 per cent a year, well above the latest inflation rate of 2.3 per cent and the Bundesbank's medium term target of 2 per cent. Even so, the German central bank was prompted by the favourable money supply figures and the strength of the D-Mark - which moderates inflation but also constrains economic growth - into cutting interest rates last week.

The reduction was the first change since last summer and brought the discount rate down by half a point to 4 per cent. The move was welcomed by the market but the response was hardly euphoric.

The week, the Dax index (comprising the 30 main stocks) picked up by 3 per cent. So far this year, it has fallen by 6 per cent to around 1,980, having declined in 1994 by 7 per cent. Not surprisingly, this year's tired performance has caught analysts, strategists and economists on the hop. DB Research, the Deutsche Bank's research arm, was forecasting a possible DAX level of 2,500 at the start of the year. But Mr Manfred Link, a DB analyst, says that a range of 2,200 to

2,300 is likely by December. If matters turn out for the worse, and the D-Mark does not ease against the US and other currencies, its worst case scenario could see the Dax at 1,600 points. Sentiment was not helped when this figure became known in the market.

Mr Joe Rooney, the London-based European strategist at Lehman Brothers, the US investment bank, reckons that the Dax could touch 2,150 in 12 months' time. The shake-out that has taken place in the German market over the past year "has wrung out the excessive optimism about economic growth and earnings recovery," he reckons.

This should give shares, especially those of cyclical companies in the automobile sector, scope for resumed increases. Until currencies started going haywire, the equities scene was looking fairly healthy. With the economy recovering steadily from recession, companies have been reporting much more positive results. The chemical companies have turned in sharply higher profits and carmakers are also improving. The automobile sector - being heavily export-oriented - is not especially favoured by investors at present, however.

Hit by last year's rout of bond markets, banks have produced poor results. Profits from trading on their own account were dramatically reduced and the poor state of securities markets hit their

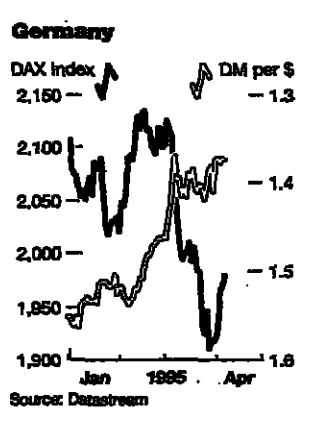
commission business. Helped by their property financing business, the Bavarian banks outperformed their Frankfurt-based counterparts. This year, the outlook is brighter, but the big banks are remaining cautious. Weaker than expected economic growth could hurt some of their customers, especially on the export side, and bad debt provisions may thus have to be kept high.

But the banks should benefit from the easing of interest rates. Mr Christian Heger, an analyst at Trinkaus Capital Management in Düsseldorf, favours bank stocks and has a better opinion of the retail sector than at the start of the year. He is neutral on chemicals and recommends an overweight position on pharmaceuticals. Overall, he reckons the Dax could move up to around 2,100 this year, helped by the fact that foreign investors have mostly taken their currency profits already.

Not surprisingly, these modest expectations have also dampened the ambitions of companies planning new issues. One of SGL Carbon (owned by Hoechst chemicals), has scaled down its last trading price yesterday was almost at the bottom of the bookbuilding range. The issue raised DM\$10m, some way below expectations, although this was partly because Hoechst decided to sell fewer shares in view of the weak state of the market.

Still to come are the year's two biggest planned IPOs: Merck, the pharmaceuticals giant, to raise around DM\$2bn, and SKW Trostberg, the specialty chemicals company owned by Viag, to raise some DM\$1bn.

Other issues are also in the pipeline. The timing will be critical, because next year will be dominated by the country's biggest ever equity issue when the state-owned Deutsche Telekom raises DM\$15bn. Institutional interest will be strong, but the issue will have to attract heavy demand from domestic private investors to succeed.



EUROPE

Paris breaches 1,900, Brussels higher again

Friday's bourses, particularly in France and Belgium, paid more attention to US jobs data and early strength in bond prices than to the weakening trend in the Dow, writes Our Markets Staff.

PARIS edged across the 1,900 barrier for the first time this year, as the CAC-40 index finished the session up 10.20 at 1,900.36, bringing its rise on the week to 2.2 per cent.

Suez and BNP were both active amid speculation that the latter might make a bid for the former's Indosuez investment banking division. Suez added FF\$4.70 to FF\$250 and BNP dipped 10 centimes to FF\$250.90.

Among companies reporting on Monday, Eurotunnel slipped 30 centimes to FF\$18.60, as investors awaited news of passenger and freight data.

Elsewhere Roco, the employment agency, struck a 1995 high before closing up FF\$22 or 3.4 per cent at FF\$78 following better than expected 1994 results.

BRUSSELS extended Thursday's gains on the Belgian bourse, with the Bel-20 index closing 11.78 higher at 1,388.4, 4.1

FT-SE Actuaries Share Indices

Apr 7		THE EUROPEAN SERIES													
Hourly changes	Open	10.30	11.00	12.00	13.00	14.00	15.00	Close							
FT-SE Eurotrack 100	1279.88	1280.54	1280.87	1281.32	1281.58	1283.56	1282.26	1281.80							
FT-SE Eurotrack 200	1872.19	1876.22	1876.15	1876.81	1877.48	1879.62	1878.19	1880.37							
	Apr 6	Apr 5	Apr 4	Apr 3	Mar 31										

LONDON STOCK EXCHANGE: Dealings

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information Service.

Unless otherwise indicated prices are in pence. The prices are those at which the business was done in the 24 hours up to 5 pm on Thursday and settled through the Stock Exchange's Telford system, they are not in order of execution but in ascending order which denotes the day's highest and lowest dealings.

For those securities in which no business was recorded in Thursday's Official List the latest recorded business in the four previous days is given with the relevant date.

Rule 4(2)(a) orders are not regulated by the International Stock Exchange of the United Kingdom and the Republic of Ireland Ltd.

‡ Bargains at special prices. † Bargains above the previous day.

British Funds, etc

Treasury 13% 2000/03 - £125.5
Treasury 10% 2000/03 - £113.2 (Apr 8)

Corporation and County Stocks

Birmingham District Council 11% 2000/03 - £119.5
Birmingham City 11% 2000/03 - £119.5
Birmingham City 11% 2000/03 - £119.5
Birmingham City 11% 2000/03 - £119.5
Birmingham City 11% 2000/03 - £119.5
Birmingham City 11% 2000/03 - £119.5
Birmingham City 11% 2000/03 - £119.5
Birmingham City 11% 2000/03 - £119.5
Birmingham City 11% 2000/03 - £119.5
Birmingham City 11% 2000/03 - £119.5

UK Public Bonds

Metropolitan Water 10% 2000/03 - £119.5
Metropolitan Water 10% 2000/03 - £119.5
Metropolitan Water 10% 2000/03 - £119.5
Metropolitan Water 10% 2000/03 - £119.5
Metropolitan Water 10% 2000/03 - £119.5
Metropolitan Water 10% 2000/03 - £119.5
Metropolitan Water 10% 2000/03 - £119.5
Metropolitan Water 10% 2000/03 - £119.5
Metropolitan Water 10% 2000/03 - £119.5
Metropolitan Water 10% 2000/03 - £119.5

Foreign Stocks, Bonds, etc

(coupons payable in London)

Abney National Treasury 10% 2000/03 - £119.5
Abney National Treasury 10% 2000/03 - £119.5
Abney National Treasury 10% 2000/03 - £119.5
Abney National Treasury 10% 2000/03 - £119.5
Abney National Treasury 10% 2000/03 - £119.5
Abney National Treasury 10% 2000/03 - £119.5
Abney National Treasury 10% 2000/03 - £119.5
Abney National Treasury 10% 2000/03 - £119.5
Abney National Treasury 10% 2000/03 - £119.5
Abney National Treasury 10% 2000/03 - £119.5

Listed Companies(excluding Investment Trusts)

AAH PLC 4.2% Cum Div - £1.00 (Apr 8)
AAH PLC 4.2% Cum Div - £1.00 (Apr 8)
AAH PLC 4.2% Cum Div - £1.00 (Apr 8)
AAH PLC 4.2% Cum Div - £1.00 (Apr 8)
AAH PLC 4.2% Cum Div - £1.00 (Apr 8)
AAH PLC 4.2% Cum Div - £1.00 (Apr 8)
AAH PLC 4.2% Cum Div - £1.00 (Apr 8)
AAH PLC 4.2% Cum Div - £1.00 (Apr 8)
AAH PLC 4.2% Cum Div - £1.00 (Apr 8)
AAH PLC 4.2% Cum Div - £1.00 (Apr 8)

Barclay PLC 7% Cum Div - £1.00 (Apr 8)
Barclay PLC 7% Cum Div - £1.00 (Apr 8)
Barclay PLC 7% Cum Div - £1.00 (Apr 8)
Barclay PLC 7% Cum Div - £1.00 (Apr 8)
Barclay PLC 7% Cum Div - £1.00 (Apr 8)
Barclay PLC 7% Cum Div - £1.00 (Apr 8)
Barclay PLC 7% Cum Div - £1.00 (Apr 8)
Barclay PLC 7% Cum Div - £1.00 (Apr 8)
Barclay PLC 7% Cum Div - £1.00 (Apr 8)
Barclay PLC 7% Cum Div - £1.00 (Apr 8)

BT Group PLC 7% Cum Div - £1.00 (Apr 8)
BT Group PLC 7% Cum Div - £1.00 (Apr 8)
BT Group PLC 7% Cum Div - £1.00 (Apr 8)
BT Group PLC 7% Cum Div - £1.00 (Apr 8)
BT Group PLC 7% Cum Div - £1.00 (Apr 8)
BT Group PLC 7% Cum Div - £1.00 (Apr 8)
BT Group PLC 7% Cum Div - £1.00 (Apr 8)
BT Group PLC 7% Cum Div - £1.00 (Apr 8)
BT Group PLC 7% Cum Div - £1.00 (Apr 8)
BT Group PLC 7% Cum Div - £1.00 (Apr 8)

BT Group PLC 7% Cum Div - £1.00 (Apr 8)
BT Group PLC 7% Cum Div - £1.00 (Apr 8)
BT Group PLC 7% Cum Div - £1.00 (Apr 8)
BT Group PLC 7% Cum Div - £1.00 (Apr 8)
BT Group PLC 7% Cum Div - £1.00 (Apr 8)
BT Group PLC 7% Cum Div - £1.00 (Apr 8)
BT Group PLC 7% Cum Div - £1.00 (Apr 8)
BT Group PLC 7% Cum Div - £1.00 (Apr 8)
BT Group PLC 7% Cum Div - £1.00 (Apr 8)
BT Group PLC 7% Cum Div - £1.00 (Apr 8)

FT-SE ACTUARIES INDICES

The FT-SE 100, FT-SE Mid 250 and FT-SE Actuaries 350 indices and the FT-SE Actuaries Industry Basket are calculated by The International Stock Exchange of the United Kingdom and the Republic of Ireland Ltd. © The International Stock Exchange of the United Kingdom and the Republic of Ireland Ltd. All rights reserved.

The FT-SE Actuaries All-Share Index is calculated by The Financial Times Limited in conjunction with the Institute of Actuaries and the Faculty of Actuaries. © The Financial Times Limited 1994. All rights reserved.

The FT-SE 100, FT-SE Mid 250 and FT-SE Actuaries 350 indices, the FT-SE Actuaries Industry Basket and the FT-SE Actuaries All-Share Index are members of the FT-SE Actuaries Share Indices series which are calculated in accordance with a standard set of ground rules established by The Financial Times Limited and London Stock Exchange in conjunction with the Institute of Actuaries and the Faculty of Actuaries. "FT-SE" and "Financial Times" are joint trade marks and service marks of the London Stock Exchange and The Financial Times Limited.

FINANCE EAST EUROPE

FINANCE EAST EUROPE reports twice monthly on investment, finance and banking in the emerging market economies of Central and Eastern Europe and the European republics of the former Soviet Union.

To receive a FREE sample copy contact:
Catherine O'Keefe, Financial Times Financial Publishing,
Maple House, 149 Tottenham Court Road,
London W1P 9LL, UK
Tel: +44 (0) 171 896 2284
Fax: +44 (0) 171 896 2274

FINANCE EAST EUROPE

FINANCE EAST EUROPE reports twice monthly on investment, finance and banking in the emerging market economies of Central and Eastern Europe and the European republics of the former Soviet Union.

To receive a FREE sample copy contact:
Catherine O'Keefe, Financial Times Financial Publishing,
Maple House, 149 Tottenham Court Road,
London W1P 9LL, UK
Tel: +44 (0) 171 896 2284
Fax: +44 (0) 171 896 2274

FINANCE EAST EUROPE

FINANCE EAST EUROPE reports twice monthly on investment, finance and banking in the emerging market economies of Central and Eastern Europe and the European republics of the former Soviet Union.

To receive a FREE sample copy contact:
Catherine O'Keefe, Financial Times Financial Publishing,
Maple House, 149 Tottenham Court Road,
London W1P 9LL, UK
Tel: +44 (0) 171 896 2284
Fax: +44 (0) 171 896 2274

FINANCE EAST EUROPE

FINANCE EAST EUROPE reports twice monthly on investment, finance and banking in the emerging market economies of Central and Eastern Europe and the European republics of the former Soviet Union.

To receive a FREE sample copy contact:
Catherine O'Keefe, Financial Times Financial Publishing,
Maple House, 149 Tottenham Court Road,
London W1P 9LL, UK
Tel: +44 (0) 171 896 2284
Fax: +44 (0) 171 896 2274

LONDON SHARE SERVICE

BANKS, MERCHANT

Company	Price	Change
Barclays Bank	125.00	+0.50
Bank of Scotland	110.00	+0.25
Bank of Ireland	105.00	+0.10
Bank of England	115.00	+0.20
Bank of America	120.00	+0.15
Bank of West	118.00	+0.10
Bank of South Africa	112.00	+0.05
Bank of China	108.00	+0.05
Bank of India	102.00	+0.05
Bank of Japan	100.00	+0.05
Bank of Korea	98.00	+0.05
Bank of Taiwan	95.00	+0.05
Bank of Thailand	92.00	+0.05
Bank of Vietnam	90.00	+0.05
Bank of Indonesia	88.00	+0.05
Bank of Malaysia	85.00	+0.05
Bank of Singapore	82.00	+0.05
Bank of Hong Kong	80.00	+0.05
Bank of New Zealand	78.00	+0.05
Bank of Australia	75.00	+0.05
Bank of Canada	72.00	+0.05
Bank of Mexico	70.00	+0.05
Bank of Brazil	68.00	+0.05
Bank of Argentina	65.00	+0.05
Bank of Chile	62.00	+0.05
Bank of Peru	60.00	+0.05
Bank of Colombia	58.00	+0.05
Bank of Venezuela	55.00	+0.05
Bank of Ecuador	52.00	+0.05
Bank of Bolivia	50.00	+0.05
Bank of Paraguay	48.00	+0.05
Bank of Uruguay	45.00	+0.05
Bank of Cuba	42.00	+0.05
Bank of Haiti	40.00	+0.05
Bank of Dominican Republic	38.00	+0.05
Bank of Guatemala	35.00	+0.05
Bank of El Salvador	32.00	+0.05
Bank of Honduras	30.00	+0.05
Bank of Nicaragua	28.00	+0.05
Bank of Costa Rica	25.00	+0.05
Bank of Panama	22.00	+0.05
Bank of Belize	20.00	+0.05
Bank of Guyana	18.00	+0.05
Bank of Suriname	15.00	+0.05
Bank of French Guiana	12.00	+0.05
Bank of Martinique	10.00	+0.05
Bank of Guadeloupe	8.00	+0.05
Bank of Reunion	6.00	+0.05
Bank of Mayotte	4.00	+0.05
Bank of Comoros	2.00	+0.05
Bank of Madagascar	1.00	+0.05
Bank of Mauritius	0.50	+0.05
Bank of Seychelles	0.25	+0.05
Bank of Maldives	0.10	+0.05
Bank of Brunei	0.05	+0.05
Bank of Timor	0.02	+0.05
Bank of East Timor	0.01	+0.05

BANKS, RETAIL

Company	Price	Change
Barclays Bank	125.00	+0.50
Bank of Scotland	110.00	+0.25
Bank of Ireland	105.00	+0.10
Bank of England	115.00	+0.20
Bank of America	120.00	+0.15
Bank of West	118.00	+0.10
Bank of South Africa	112.00	+0.05
Bank of China	108.00	+0.05
Bank of India	102.00	+0.05
Bank of Japan	100.00	+0.05
Bank of Korea	98.00	+0.05
Bank of Taiwan	95.00	+0.05
Bank of Thailand	92.00	+0.05
Bank of Vietnam	90.00	+0.05
Bank of Indonesia	88.00	+0.05
Bank of Malaysia	85.00	+0.05
Bank of Singapore	82.00	+0.05
Bank of Hong Kong	80.00	+0.05
Bank of New Zealand	78.00	+0.05
Bank of Australia	75.00	+0.05
Bank of Canada	72.00	+0.05
Bank of Mexico	70.00	+0.05
Bank of Brazil	68.00	+0.05
Bank of Argentina	65.00	+0.05
Bank of Chile	62.00	+0.05
Bank of Peru	60.00	+0.05
Bank of Colombia	58.00	+0.05
Bank of Venezuela	55.00	+0.05
Bank of Ecuador	52.00	+0.05
Bank of Bolivia	50.00	+0.05
Bank of Paraguay	48.00	+0.05
Bank of Uruguay	45.00	+0.05
Bank of Cuba	42.00	+0.05
Bank of Haiti	40.00	+0.05
Bank of Dominican Republic	38.00	+0.05
Bank of Guatemala	35.00	+0.05
Bank of El Salvador	32.00	+0.05
Bank of Honduras	30.00	+0.05
Bank of Nicaragua	28.00	+0.05
Bank of Costa Rica	25.00	+0.05
Bank of Panama	22.00	+0.05
Bank of Belize	20.00	+0.05
Bank of Guyana	18.00	+0.05
Bank of Suriname	15.00	+0.05
Bank of French Guiana	12.00	+0.05
Bank of Martinique	10.00	+0.05
Bank of Guadeloupe	8.00	+0.05
Bank of Reunion	6.00	+0.05
Bank of Mayotte	4.00	+0.05
Bank of Comoros	2.00	+0.05
Bank of Madagascar	1.00	+0.05
Bank of Mauritius	0.50	+0.05
Bank of Seychelles	0.25	+0.05
Bank of Maldives	0.10	+0.05
Bank of Brunei	0.05	+0.05
Bank of Timor	0.02	+0.05
Bank of East Timor	0.01	+0.05

BREWERS

Company	Price	Change
Asahi Breweries	120.00	+0.50
Beck's Breweries	115.00	+0.25
Carlsberg Breweries	110.00	+0.10
Heineken Breweries	105.00	+0.15
Kaiser Brewery	100.00	+0.10
King's Brewery	95.00	+0.05
Miller Brewery	90.00	+0.05
Orkla Brewery	85.00	+0.05
Pilsener Brewery	80.00	+0.05
Sankey Brewery	75.00	+0.05
Stout Brewery	70.00	+0.05
Thorn Brewery	65.00	+0.05
Watson Brewery	60.00	+0.05
Wheatley Brewery	55.00	+0.05
Yates Brewery	50.00	+0.05
Zakaria Brewery	45.00	+0.05
Zakaria Brewery	40.00	+0.05
Zakaria Brewery	35.00	+0.05
Zakaria Brewery	30.00	+0.05
Zakaria Brewery	25.00	+0.05
Zakaria Brewery	20.00	+0.05
Zakaria Brewery	15.00	+0.05
Zakaria Brewery	10.00	+0.05
Zakaria Brewery	5.00	+0.05
Zakaria Brewery	0.00	+0.05

BUILDING & CONSTRUCTION

Company	Price	Change
Asahi Construction	120.00	+0.50
Beck's Construction	115.00	+0.25
Carlsberg Construction	110.00	+0.10
Heineken Construction	105.00	+0.15
Kaiser Construction	100.00	+0.10
King's Construction	95.00	+0.05
Miller Construction	90.00	+0.05
Orkla Construction	85.00	+0.05
Pilsener Construction	80.00	+0.05
Sankey Construction	75.00	+0.05
Stout Construction	70.00	+0.05
Thorn Construction	65.00	+0.05
Watson Construction	60.00	+0.05
Wheatley Construction	55.00	+0.05
Yates Construction	50.00	+0.05
Zakaria Construction	45.00	+0.05
Zakaria Construction	40.00	+0.05
Zakaria Construction	35.00	+0.05
Zakaria Construction	30.00	+0.05
Zakaria Construction	25.00	+0.05
Zakaria Construction	20.00	+0.05
Zakaria Construction	15.00	+0.05
Zakaria Construction	10.00	+0.05
Zakaria Construction	5.00	+0.05
Zakaria Construction	0.00	+0.05

BUILDING MATS. & MERCHANTS

Company	Price	Change
Asahi Building Mats.	120.00	+0.50
Beck's Building Mats.	115.00	+0.25
Carlsberg Building Mats.	110.00	+0.10
Heineken Building Mats.	105.00	+0.15
Kaiser Building Mats.	100.00	+0.10
King's Building Mats.	95.00	+0.05
Miller Building Mats.	90.00	+0.05
Orkla Building Mats.	85.00	+0.05
Pilsener Building Mats.	80.00	+0.05
Sankey Building Mats.	75.00	+0.05
Stout Building Mats.	70.00	+0.05
Thorn Building Mats.	65.00	+0.05
Watson Building Mats.	60.00	+0.05
Wheatley Building Mats.	55.00	+0.05
Yates Building Mats.	50.00	+0.05
Zakaria Building Mats.	45.00	+0.05
Zakaria Building Mats.	40.00	+0.05
Zakaria Building Mats.	35.00	+0.05
Zakaria Building Mats.	30.00	+0.05
Zakaria Building Mats.	25.00	+0.05
Zakaria Building Mats.	20.00	+0.05
Zakaria Building Mats.	15.00	+0.05
Zakaria Building Mats.	10.00	+0.05
Zakaria Building Mats.	5.00	+0.05
Zakaria Building Mats.	0.00	+0.05

BUILDING MATS. & MERCHANTS - Cont.

Company	Price	Change
Asahi Building Mats.	120.00	+0.50
Beck's Building Mats.	115.00	+0.25
Carlsberg Building Mats.	110.00	+0.10
Heineken Building Mats.	105.00	+0.15
Kaiser Building Mats.	100.00	+0.10
King's Building Mats.	95.00	+0.05
Miller Building Mats.	90.00	+0.05
Orkla Building Mats.	85.00	+0.05
Pilsener Building Mats.	80.00	+0.05
Sankey Building Mats.	75.00	+0.05
Stout Building Mats.	70.00	+0.05
Thorn Building Mats.	65.00	+0.05
Watson Building Mats.	60.00	+0.05
Wheatley Building Mats.	55.00	+0.05
Yates Building Mats.	50.00	+0.05
Zakaria Building Mats.	45.00	+0.05
Zakaria Building Mats.	40.00	+0.05
Zakaria Building Mats.	35.00	+0.05
Zakaria Building Mats.	30.00	+0.05
Zakaria Building Mats.	25.00	+0.05
Zakaria Building Mats.	20.00	+0.05
Zakaria Building Mats.	15.00	+0.05
Zakaria Building Mats.	10.00	+0.05
Zakaria Building Mats.	5.00	+0.05
Zakaria Building Mats.	0.00	+0.05

CHEMICALS

Company	Price	Change
Asahi Chemicals	120.00	+0.50
Beck's Chemicals	115.00	+0.25
Carlsberg Chemicals	110.00	+0.10
Heineken Chemicals	105.00	+0.15
Kaiser Chemicals	100.00	+0.10
King's Chemicals	95.00	+0.05
Miller Chemicals	90.00	+0.05
Orkla Chemicals	85.00	+0.05
Pilsener Chemicals	80.00	+0.05
Sankey Chemicals	75.00	+0.05
Stout Chemicals	70.00	+0.05
Thorn Chemicals	65.00	+0.05
Watson Chemicals	60.00	+0.05
Wheatley Chemicals	55.00	+0.05
Yates Chemicals	50.00	+0.05
Zakaria Chemicals	45.00	+0.05
Zakaria Chemicals	40.00	+0.05
Zakaria Chemicals	35.00	+0.05
Zakaria Chemicals	30.00	+0.05
Zakaria Chemicals	25.00	+0.05
Zakaria Chemicals	20.00	+0.05
Zakaria Chemicals	15.00	+0.05
Zakaria Chemicals	10.00	+0.05
Zakaria Chemicals	5.00	+0.05
Zakaria Chemicals	0.00	+0.05

DISTRIBUTORS

Company	Price	Change
Asahi Distributors	120.00	+0.50
Beck's Distributors	115.00	+0.25
Carlsberg Distributors	110.00	+0.10
Heineken Distributors	105.00	+0.15
Kaiser Distributors	100.00	+0.10
King's Distributors	95.00	+0.05
Miller Distributors	90.00	+0.05
Orkla Distributors	85.00	+0.05
Pilsener Distributors	80.00	+0.05
Sankey Distributors	75.00	+0.05
Stout Distributors	70.00	+0.05
Thorn Distributors	65.00	+0.05
Watson Distributors	60.00	+0.05
Wheatley Distributors	55.00	+0.05
Yates Distributors	50.00	+0.05
Zakaria Distributors	45.00	+0.05
Zakaria Distributors	40.00	+0.05
Zakaria Distributors	35.00	+0.05
Zakaria Distributors	30.00	+0.05
Zakaria Distributors	25.00	+0.05
Zakaria Distributors	20.00	+0.05
Zakaria Distributors	15.00	+0.05
Zakaria Distributors	10.00	+0.05
Zakaria Distributors	5.00	+0.05
Zakaria Distributors	0.00	+0.05

DIVERSIFIED INDUSTRIALS

Company	Price	Change
Asahi Diversified Ind.	120.00	+0.50
Beck's Diversified Ind.	115.00	+0.25
Carlsberg Diversified Ind.	110.00	+0.10
Heineken Diversified Ind.	105.00	+0.15
Kaiser Diversified Ind.	100.00	+0.10
King's Diversified Ind.	95.00	+0.05
Miller Diversified Ind.	90.00	+0.05
Orkla Diversified Ind.	85.00	+0.05
Pilsener Diversified Ind.	80.00	+0.05
Sankey Diversified Ind.	75.00	+0.05
Stout Diversified Ind.	70.00	+0.05
Thorn Diversified Ind.	65.00	+0.05
Watson Diversified Ind.	60.00	+0.05
Wheatley Diversified Ind.	55.00	+0.05
Yates Diversified Ind.	50.00	+0.05
Zakaria Diversified Ind.	45.00	+0.05
Zakaria Diversified Ind.	40.00	+0.05
Zakaria Diversified Ind.	35.00	+0.05
Zakaria Diversified Ind.	30.00	+0.05
Zakaria Diversified Ind.	25.00	+0.05
Zakaria Diversified Ind.	20.00	+0.05
Zakaria Diversified Ind.	15.00	+0.05
Zakaria Diversified Ind.	10.00	+0.05
Zakaria Diversified Ind.	5.00	+0.05
Zakaria Diversified Ind.	0.00	+0.05

ELECTRICITY

Company	Price	Change
Asahi Electricity	120.00	+0.50
Beck's Electricity	115.00	+0.25
Carlsberg Electricity	110.00	+0.10
Heineken Electricity	105.00	+0.15
Kaiser Electricity	100.00	+0.10
King's Electricity	95.00	+0.05
Miller Electricity	90.00	+0.05
Orkla Electricity	85.00	+0.05
Pilsener Electricity	80.00	+0.05
Sankey Electricity	75.00	+0.05
Stout Electricity	70.00	+0.05
Thorn Electricity	65.00	+0.05
Watson Electricity	60.00	+0.05
Wheatley Electricity	55.00	+0.05
Yates Electricity	50.00	+0.05
Zakaria Electricity	45.00	+0.05
Zakaria Electricity	40.00	+0.05
Zakaria Electricity	35.00	+0.05
Zakaria Electricity	30.00	+0.05
Zakaria Electricity	25.00	+0.05
Zakaria Electricity	20.00	+0.05
Zakaria Electricity	15.00	+0.05
Zakaria Electricity	10.00	+0.05
Zakaria Electricity	5.00	+0.05
Zakaria Electricity	0.00	+0.05

ELECTRONIC & ELECTRICAL EQPT - Cont.

Cheney & M...	Price	Change	Yd
Cheney & M...	675	-0.125	0.8
Cheney & M...	640	-0.125	0.8
Cheney & M...	625	-0.125	0.8
Cheney & M...	610	-0.125	0.8
Cheney & M...	595	-0.125	0.8
Cheney & M...	580	-0.125	0.8
Cheney & M...	565	-0.125	0.8
Cheney & M...	550	-0.125	0.8
Cheney & M...	535	-0.125	0.8
Cheney & M...	520	-0.125	0.8
Cheney & M...	505	-0.125	0.8
Cheney & M...	490	-0.125	0.8
Cheney & M...	475	-0.125	0.8
Cheney & M...	460	-0.125	0.8
Cheney & M...	445	-0.125	0.8
Cheney & M...	430	-0.125	0.8
Cheney & M...	415	-0.125	0.8
Cheney & M...	400	-0.125	0.8
Cheney & M...	385	-0.125	0.8
Cheney & M...	370	-0.125	0.8
Cheney & M...	355	-0.125	0.8
Cheney & M...	340	-0.125	0.8
Cheney & M...	325	-0.125	0.8
Cheney & M...	310	-0.125	0.8
Cheney & M...	295	-0.125	0.8
Cheney & M...	280	-0.125	0.8
Cheney & M...	265	-0.125	0.8
Cheney & M...	250	-0.125	0.8
Cheney & M...	235	-0.125	0.8
Cheney & M...	220	-0.125	0.8
Cheney & M...	205	-0.125	0.8
Cheney & M...	190	-0.125	0.8
Cheney & M...	175	-0.125	0.8
Cheney & M...	160	-0.125	0.8
Cheney & M...	145	-0.125	0.8
Cheney & M...	130	-0.125	0.8
Cheney & M...	115	-0.125	0.8
Cheney & M...	100	-0.125	0.8
Cheney & M...	85	-0.125	0.8
Cheney & M...	70	-0.125	0.8
Cheney & M...	55	-0.125	0.8
Cheney & M...	40	-0.125	0.8
Cheney & M...	25	-0.125	0.8
Cheney & M...	10	-0.125	0.8
Cheney & M...	-5	-0.125	0.8
Cheney & M...	-20	-0.125	0.8
Cheney & M...	-35	-0.125	0.8
Cheney & M...	-50	-0.125	0.8
Cheney & M...	-65	-0.125	0.8
Cheney & M...	-80	-0.125	0.8
Cheney & M...	-95	-0.125	0.8
Cheney & M...	-110	-0.125	0.8
Cheney & M...	-125	-0.125	0.8
Cheney & M...	-140	-0.125	0.8
Cheney & M...	-155	-0.125	0.8
Cheney & M...	-170	-0.125	0.8
Cheney & M...	-185	-0.125	0.8
Cheney & M...	-200	-0.125	0.8
Cheney & M...	-215	-0.125	0.8
Cheney & M...	-230	-0.125	0.8
Cheney & M...	-245	-0.125	0.8
Cheney & M...	-260	-0.125	0.8
Cheney & M...	-275	-0.125	0.8
Cheney & M...	-290	-0.125	0.8
Cheney & M...	-305	-0.125	0.8
Cheney & M...	-320	-0.125	0.8
Cheney & M...	-335	-0.125	0.8
Cheney & M...	-350	-0.125	0.8
Cheney & M...	-365	-0.125	0.8
Cheney & M...	-380	-0.125	0.8
Cheney & M...	-395	-0.125	0.8
Cheney & M...	-410	-0.125	0.8
Cheney & M...	-425	-0.125	0.8
Cheney & M...	-440	-0.125	0.8
Cheney & M...	-455	-0.125	0.8
Cheney & M...	-470	-0.125	0.8
Cheney & M...	-485	-0.125	0.8
Cheney & M...	-500	-0.125	0.8
Cheney & M...	-515	-0.125	0.8
Cheney & M...	-530	-0.125	0.8
Cheney & M...	-545	-0.125	0.8
Cheney & M...	-560	-0.125	0.8
Cheney & M...	-575	-0.125	0.8
Cheney & M...	-590	-0.125	0.8
Cheney & M...	-605	-0.125	0.8
Cheney & M...	-620	-0.125	0.8
Cheney & M...	-635	-0.125	0.8
Cheney & M...	-650	-0.125	0.8
Cheney & M...	-665	-0.125	0.8
Cheney & M...	-680	-0.125	0.8
Cheney & M...	-695	-0.125	0.8
Cheney & M...	-710	-0.125	0.8
Cheney & M...	-725	-0.125	0.8
Cheney & M...	-740	-0.125	0.8
Cheney & M...	-755	-0.125	0.8
Cheney & M...	-770	-0.125	0.8
Cheney & M...	-785	-0.125	0.8
Cheney & M...	-800	-0.125	0.8
Cheney & M...	-815	-0.125	0.8
Cheney & M...	-830	-0.125	0.8
Cheney & M...	-845	-0.125	0.8
Cheney & M...	-860	-0.125	0.8
Cheney & M...	-875	-0.125	0.8
Cheney & M...	-890	-0.125	0.8
Cheney & M...	-905	-0.125	0.8
Cheney & M...	-920	-0.125	0.8
Cheney & M...	-935	-0.125	0.8
Cheney & M...	-950	-0.125	0.8
Cheney & M...	-965	-0.125	0.8
Cheney & M...	-980	-0.125	0.8
Cheney & M...	-995	-0.125	0.8
Cheney & M...	-1010	-0.125	0.8
Cheney & M...	-1025	-0.125	0.8
Cheney & M...	-1040	-0.125	0.8
Cheney & M...	-1055	-0.125	0.8
Cheney & M...	-1070	-0.125	0.8
Cheney & M...	-1085	-0.125	0.8
Cheney & M...	-1100	-0.125	0.8
Cheney & M...	-1115	-0.125	0.8
Cheney & M...	-1130	-0.125	0.8
Cheney & M...	-1145	-0.125	0.8
Cheney & M...	-1160	-0.125	0.8
Cheney & M...	-1175	-0.125	0.8
Cheney & M...	-1190	-0.125	0.8
Cheney & M...	-1205	-0.125	0.8
Cheney & M...	-1220	-0.125	0.8
Cheney & M...	-1235	-0.125	0.8
Cheney & M...	-1250	-0.125	0.8
Cheney & M...	-1265	-0.125	0.8
Cheney & M...	-1280	-0.125	0.8
Cheney & M...	-1295	-0.125	0.8
Cheney & M...	-1310	-0.125	0.8
Cheney & M...	-1325	-0.125	0.8
Cheney & M...	-1340	-0.125	0.8
Cheney & M...	-1355	-0.125	0.8
Cheney & M...	-1370	-0.125	0.8
Cheney & M...	-1385	-0.125	0.8
Cheney & M...	-1400	-0.125	0.8
Cheney & M...	-1415	-0.125	0.8
Cheney & M...	-1430	-0.125	0.8
Cheney & M...	-1445	-0.125	0.8
Cheney & M...	-1460	-0.125	0.8
Cheney & M...	-1475	-0.125	0.8
Cheney & M...	-1490	-0.125	0.8
Cheney & M...	-1505	-0.125	0.8
Cheney & M...	-1520	-0.125	0.8
Cheney & M...	-1535	-0.125	0.8
Cheney & M...	-1550	-0.125	0.8
Cheney & M...	-1565	-0.125	0.8
Cheney & M...	-1580	-0.125	0.8
Cheney & M...	-1595	-0.125	0.8
Cheney & M...	-1610	-0.125	0.8
Cheney & M...	-1625	-0.125	0.8
Cheney & M...	-1640	-0.125	0.8
Cheney & M...	-1655	-0.125	0.8
Cheney & M...	-1670	-0.125	0.8
Cheney & M...	-1685	-0.125	0.8
Cheney & M...	-1700	-0.125	0.8
Cheney & M...	-1715	-0.125	0.8
Cheney & M...	-1730	-0.125	0.8
Cheney & M...	-1745	-0.125	0.8
Cheney & M...	-1760	-0.125	0.8
Cheney & M...	-1775	-0.125	0.8
Cheney & M...	-1790	-0.125	0.8
Cheney & M...	-1805	-0.125	0.8
Cheney & M...	-1820	-0.125	0.8
Cheney & M...	-1835	-0.125	0.8
Cheney & M...	-1850	-0.125	0.8
Cheney & M...	-1865	-0.125	0.8
Cheney & M...	-1880	-0.125	0.8
Cheney & M...	-1895	-0.125	0.8
Cheney & M...	-1910	-0.125	0.8
Cheney & M...	-1925	-0.125	0.8
Cheney & M...	-1940	-0.125	0.8
Cheney & M...	-1955	-0.125	0.8
Cheney & M...	-1970	-0.125	0.8
Cheney & M...	-1985	-0.125	0.8
Cheney & M...	-2000	-0.125	0.8
Cheney & M...	-2015	-0.125	0.8
Cheney & M...	-2030	-0.125	0.8
Cheney & M...	-2045	-0.125	0.8
Cheney & M...	-2060	-0.125	0.8
Cheney & M...	-2075	-0.125	0.8
Cheney & M...	-2090	-0.125	0.8
Cheney & M...	-2105	-0.125	0.8
Cheney & M...	-2120	-0.125	0.8
Cheney & M...	-2135	-0.125	0.8
Cheney & M...	-2150	-0.125	0.8
Cheney & M...	-2165	-0.125	0.8
Cheney & M...	-2180	-0.125	0.8
Cheney & M...	-2195	-0.125	0.8
Cheney & M...	-2210	-0.125	0.8
Cheney & M...	-2225	-0.125	0.8
Cheney & M...	-2240	-0.125	0.8
Cheney & M...	-2255	-0.125	0.8
Cheney & M...	-2270	-0.125	0.8
Cheney & M...	-2285	-0.125	0.8
Cheney & M...	-2300	-0.125	0.8
Cheney & M...	-2315	-0.125	0.8
Cheney & M...	-2330	-0.125	0.8
Cheney & M...	-2345	-0.125	0.8
Cheney & M...	-2360	-0.125	0.8
Cheney & M...	-2375	-0.125	0.8
Cheney & M...	-2390	-0.125	0.8
Cheney & M...	-2405	-0.125	0.8
Cheney & M...	-2420	-0.125	0.8
Cheney & M...	-2435	-0.125	0.8
Cheney & M...	-2450	-0.125	0.8
Cheney & M...	-2465	-0.125	0.8
Cheney & M...	-2480	-0.125	0.8
Cheney & M...	-2495	-0.125	0.8
Cheney & M...	-2510	-0.125	0.8
Cheney & M...	-2525	-0.125	0.8
Cheney & M...	-2540	-0.125	0.8
Cheney & M...	-2555	-0.125	0.8
Cheney & M...	-2570	-0.125	0.8
Cheney & M...	-2585	-0.125	0.8
Cheney & M...	-2600	-0.125	0.8
Cheney & M...	-2615	-0.125	0.8
Cheney & M...	-2630	-0.125	0.8
Cheney & M...	-2645	-0.125	0.8
Cheney & M...	-2660	-0.125	0.8
Cheney & M...	-2675	-0.125	0.8
Cheney & M...	-2690	-0.125	0.8
Cheney & M...	-2705	-0.125	0.8
Cheney & M...	-2720	-0.125	0.8
Cheney & M...	-2735	-0.125	0.8
Cheney & M...	-2750	-0.125	0.8
Cheney & M...	-2765	-0.125	0.8
Cheney & M...	-2780	-0.125	0.8
Cheney & M...	-2795	-0.125	0.8
Cheney & M...	-2810	-0.125	0.8
Cheney & M...	-2825	-0.125	0.8
Cheney & M...	-2840	-0.125	0.8
Cheney & M...	-2855	-0.125	0.8
Cheney & M...	-2870	-0.125	0.8
Cheney & M...	-2885	-0.125	0.8
Cheney & M...	-2900	-0.125	0.8
Cheney & M...	-2915	-0.125	0.8
Cheney & M...	-2930	-0.125	0.8
Cheney & M...	-2945	-0.125	0.8
Cheney & M...	-2960	-0.125	0.8
Cheney & M...	-2975	-0.125	0.8
Cheney & M...	-2990	-0.125	0.8
Cheney & M...	-3005	-0.125	0.8
Cheney & M...	-3020	-0.125	0.8
Cheney & M...	-3035	-0.125	0.8
Cheney & M...	-3050	-0.125	0.8
Cheney & M...	-3065	-0.125	0.8
Cheney & M...	-3080	-0.125	0.8
Cheney & M...	-3095	-0.125	0.8
Cheney & M...	-3110	-0.125	0.8
Cheney & M...	-3125	-0.125	0.8
Cheney & M...	-3140	-0.125	0.8
Cheney & M...	-3155	-0.125	0.8
Cheney & M...	-3170	-0.125	0.8
Cheney & M...	-3185	-0.125	0.8
Cheney & M...	-3200	-0.125	0.8
Cheney & M...	-3215	-0.125	0.8
Cheney & M...	-3230	-0.125	0.8
Cheney & M...	-3245	-0.125	0.8
Cheney & M...	-3260	-0.125	0.8
Cheney & M...	-3275	-0.125	0.8
Cheney & M...	-3290	-0.125	0.8
Cheney & M...	-3305	-0.125	0.8
Cheney & M...	-3320	-0.125	0.8
Cheney & M...	-3335	-0.125	0.8
Cheney & M...	-3350	-0.125	0.8
Cheney & M...	-3365	-0.125	0.8
Cheney & M...	-3380	-0.125	0.8
Cheney & M...	-3395	-0.125	0.8
Cheney & M...	-3410	-0.125	0.8
Cheney & M...	-3425	-0.125	0.8
Cheney & M...	-3440	-0.125	0.8
Cheney & M...	-3455	-0.125	0.8
Cheney & M...	-3470	-0.125	0.8
Cheney & M...	-3485	-0.125	0.8
Cheney & M...	-3500	-0.125	0.8
Cheney & M...	-3515	-0.125	0.8
Cheney & M...	-3530	-0.125	0.8
Cheney & M...	-3545	-0.125	0.8
Cheney & M...	-3560	-0.125	0.8
Cheney & M...	-3575	-0.125	0.8
Cheney & M...	-3590	-0.125	0.8
Cheney & M...	-3605	-0.125	0.8
Cheney & M...	-3620	-0.125	0.8
Cheney & M...	-3635	-0.125	0.8
Cheney & M...	-3650	-0.125	0.8
Cheney & M...	-3665	-0.125	0.8
Cheney & M...	-3680	-0.125	0.8

Calls for action as dollar hits new low against yen

By Philip Gawth in London, William Dawkins in Tokyo and Richard Waters in New York

Fresh calls were made yesterday for international co-operation to stabilise currency markets as the dollar fell to a new post-war low against the yen.

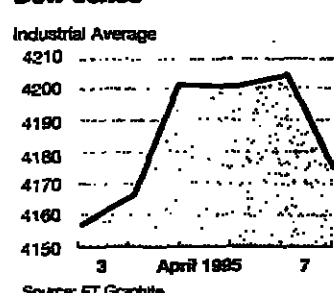
Mr Jean-Claude Paye, secretary-general of the Organisation for Economic Co-operation and Development, said in Tokyo that greater policy co-ordination between Japan, Germany and the US was necessary to stabilise the currency markets.

Mr Yasuo Matsuoka, governor of the Bank of Japan, took up Mr Paye's refrain in a meeting with businessmen in Osaka, calling for joint intervention in the currency markets.

He was joined by Mr Edmond Alphandery, the French economy minister, who said he wanted a meeting of G7 finance ministers in Washington later this month to discuss ways of stabilising exchange rates along the lines of the Louvre and Plaza accords in the 1980s.

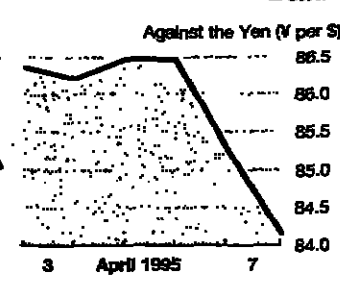
US officials, however, were silent, leaving markets with the impression that they were unconcerned about the level of the dollar. Traders have attached little weight to claims by senior

Dow Jones



Source: FT Graphite

Dollar



administration officials that they value a strong dollar.

Meanwhile, comments from a senior Bundesbank official made plain that the German central bank believes that the markets cannot be stabilised unless countries with weak currencies, including the US, tackle underlying domestic economic problems.

Mr Johann Wilhelm Gaddum, vice-president of the Bundesbank, said: "The loss in the value of the dollar and the weakness of several European currencies are linked to the fact that markets are losing confidence in the ability of those with political responsibility to solve their budget problems."

The dollar was unmoved by US employment data published yesterday which showed a smaller

than expected increase in jobs growth. It closed in London at 84.155, a recovery from the new low of 83.66 reached overnight in Tokyo. The employment figures, however, met with a cool response on Wall Street where bond and equity prices fell.

US share prices slumped during the morning, triggered by falling bond prices and profit-taking after gains earlier in the week.

By midday in New York the Dow Jones Industrial Average of leading stocks had lost 28.05 points to trade at 4176.71.

Currencies, Page 12
World stocks, Page 17
London stocks, Page 19

Factories curbing plans, US figures suggest

By Michael Prowse in Washington

Official figures showing an unexpected drop in US manufacturing employment yesterday indicated factories may be scaling back production plans in response to weaker consumer spending.

The overall unemployment rate rose to 5.5 per cent, against 5.4 per cent in February. The Labor Department said payroll employment rose 203,000 last month, less than expected.

Manufacturing employment fell by 4,000, following a small increase in February and monthly gains of about 40,000 between October and January.

The jobs data followed figures earlier this week showing an unexpected decline in the Purchasing Managers' Index, a closely followed guide to economic conditions in manufacturing. The figures suggest US factories are cutting production plans in response to weaker growth of consumer spending, setting the stage for only sluggish economic growth in the second quarter.

If production does weaken in response to sluggish sales, the Federal Reserve, the US central bank, is likely to keep monetary policy on hold for months.

Mr Richard Berner, chief economist at Mellon Bank in Pittsburgh, said he expected growth at an annualised rate of less than 3 per cent in the second quarter, against 3.5 per cent in the first quarter and more than 5 per cent at the end of last year. The slowdown, he said, was likely to be a "pause that refreshes" - a reaction to last year's spending spree rather than the onset of a prolonged downturn.

Economists are divided on whether the deceleration in growth is temporary or permanent. Some believe the Fed has done enough to achieve a "soft landing" - annualised growth at or below 2.5 per cent, the economy's estimated long-run potential growth rate.

Others expect a rebound in the second half, reflecting in part the stimulation of dollar depreciation and the recent fall in bond yields. Signs that growth was picking up would probably mean further increases in short-term rates, currently 6 per cent.

The economy appears to be adjusting to last year's monetary tightening. Ms Katherine Abraham, a senior Labor Department official, said job weakness in manufacturing was "wide-spread".

The overall increase in non-farm employment was well below the average monthly gain in the past year, and mostly concentrated in services and construction.

Payroll employment data for February, however, were revised up to show a solid gain of 245,000, rather than 218,000 as previously reported.

Tinseltown temptation

The glamour of Hollywood has turned many a head. Mr Edgar Bronfman Jr, chief executive of Seagram, looks like being the latest. On Thursday night he sold most of the Canadian drinks group's stake in Du Pont back to the US chemicals group for \$8.8bn. That would give him the firepower to buy control of the MCA studio from Japan's Matsushita, for perhaps \$7bn.

There is zero industrial logic in a drinks company buying into Hollywood, though Coca-Cola's one-time ownership of Columbia Pictures shows that such flirtations are not unique.

Synergy is non-existent - unless Seagram's Tropicana orange juice cartons and Glenlivet whisky bottles were suddenly to crop up in MCA films. Moreover, MCA is in a mess. Matsushita is barely on speaking terms with its top management, its share of the box office has plunged, and its top producer, Steven Spielberg, is setting up his own studio.

With the right management, MCA's current plight could be an opportunity. It still has a good library of film, music and publishing titles. There is potential to claw back market share and boost margins. But Seagram's investors doubt that a drinks company could do the trick and have hammered its share price as rumours of a purchase have mounted.

Mr Bronfman may just turn out to be one of the entertainment visionaries of the 1990s. But using Seagram as the vehicle to pursue Hollywood dreams would not be fair on other shareholders. It would be better to sell his family's large stake in Seagram and invest that in Hollywood direct.

UK politics

Few investors can expect the Tories to win the next general election. Labour's landslide victory in Thursday's Scottish local elections is further evidence of just how low Mr John Major's popularity has sunk. But should the prospect of a government led by Mr Tony Blair within two years strike fear into investors' hearts? The answer is probably not.

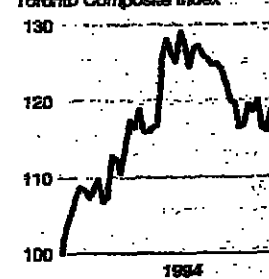
The main reason to be sanguine is that Labour is shifting to the centre ground. Yesterday's announcement of a commission on wealth creation, set up by an allied think-tank and allied with centrist businessmen, is the latest bid for respectability. The impending reform of Clause Four of Labour's constitution - replacing the rhetoric of nationalisation with that of a dynamic market economy - is

THE LEX COLUMN

FT-SE Eurotrack 200:
1380.4 (+1.5)

Seagram International

Share price relative to the Toronto Composite Index



Source: FT Graphite

another. But more important is that Labour seems intent on retaining the Bank of England's quasi-independence.

A Labour government would be under pressure to relax controls on public spending, but Mr Eddie George, the bank's governor, would still be there to stop an inflationary boom. Moreover, the overall fiscal stance under Labour might not be so different from that under the Tories.

The prospect of a Labour government must still carry a risk premium. For equities, there is the specific concern that there could be higher taxation of dividends - a worry that will not vanish until the party spells out detailed policies. But with the bond market already anticipating inflation to average 4 per cent in the medium term, investors are already probably pricing in the risk.

UK dividends

While Redland and BICC have cut their pay-outs, one of the great surprises of the corporate reporting season has been the resurgence in dividends. The banking sector has been at the forefront of such increases, since it is generating more cash than it knows how to deploy. But average dividend growth from the recent batch of announcements has been over 10 per cent - around 2 percentage points more than City expectations.

The reasons are twofold. First, balance sheets have been rebuilt following the ravages of the recession. But with an economic recovery built on export growth rather than consumer demand, corporate Britain has been unwilling to invest money in new capacity. Second, companies are

happy to give a higher proportion of their earnings back to shareholders when inflationary expectations are falling, since inflation eats up a substantial amount of cash flow.

Under these circumstances, dividend cover - the ratio of earnings to dividends - should remain substantially lower than previous cyclical peaks of more than 2.5 times. Politicians will point out that in the late 1970s, dividend cover exceeded 3.5 times, so companies invested more capital. But the tax regime forced them to do so, and the resulting emergence of sprawling conglomerates was hardly positive. Companies should increase investment only when they feel they can generate a reasonable return. However, companies' progressive dividend policies may carry a political risk, come the next election.

Nuclear privatisation

Whether or not it proves politically viable, the privatisation of the UK's nuclear power industry is now economically feasible. The two companies involved, Nuclear Electric and Scottish Nuclear, have made impressive progress in improving efficiency and cutting costs. The ageing Magnox stations owned by the nuclear companies would still have to be kept in the public sector. But they are less burdensome than they appeared to be when plans for the sector's privatisation were scrapped in 1988.

With only two stations, Scottish Nuclear may be too small to attract investors. There are several options: it could be privatised through a trade sale; the two nuclear companies could be merged; or the size imbalance could be redressed by transferring some Nuclear Electric stations to Scottish Nuclear.

Nuclear Electric has about the same market share as PowerGen, which has a market capitalisation of around £3.5bn. But given the liabilities and risks attached to the industry, the two nuclear companies would have to be sold for substantially less, perhaps around £2bn.

Retail investors are likely to be unenthusiastic. But nuclear power stations are privately held in other countries, and their profile as low growth but high-yielding shares appeals to some institutional investors. The government should continue with privatisation, ending the anomaly of a power industry split between public and private sectors. It might even prove easier than the rail privatisation.

Return of the KGB

Continued from Page 1

ening of elements of a police state," said Mr Sergei Karaganov, deputy director of the Moscow-based European Institute of the Academy of Sciences and an adviser to Mr Yeltsin. "The strengthening of the FSK is in line with this process."

Like many Russian liberals, who argue that democratic principles must be balanced against the need to consolidate the state, Mr Karaganov says the creation of the FSB is not entirely undesirable.

"The strengthening of any state organ is a strengthening of the state as a whole," said general-lieutenant Yuri Demin, a senior FSK officer.

Five new bodies have emerged to assume the myriad functions once performed by the all-encompassing KGB, quarrelsome successors who have proven more adept at infighting than at defending the state.

Worried Russian democrats can take heart from one new development. Former KGB agents have proven vulnerable to the siren call of capitalism in the new Russia.

"The best people from the KGB have already left the state. They have all been privatised," said Mr Michael McPaul, a Moscow-based senior associate at the Carnegie Endowment for Democracy, a US institution. "They no longer work for the Kremlin; instead they all work for Mr Gusinsky and Mr Boyko [two of Russia's leading bankers]."

Seagram in talks for stake in MCA

By Tony Jackson in New York

The world of Hollywood was facing its own cliff-hanger yesterday: whether Mr Edgar Bronfman of Seagram, with \$8bn in his pocket, would clinch a deal to buy the film studio MCA.

Seagram, the Canadian drinks company of which Mr Bronfman is president and chief executive, and Matsushita of Japan, MCA's present owner, last night both confirmed they were discussing the possible purchase by Seagram of a controlling interest in the film studio. No agreement on terms or price has been made, they said in a statement, "and there is no assurance that an agreement will be reached".

On Thursday, Seagram raised \$8.2bn net of tax by selling 23 per cent of Du Pont, the US chemicals company, back to Du Pont. Seagram is thought by stock market investors to be hoping to buy 80 per cent of MCA for a little over \$7bn.

Mr Bronfman, 38, is a former film-maker. MCA, which produced the blockbuster Jurassic Park, has more recently been struggling with open disagreement between its US executives and its Japanese parent. Its latest picture, Waterworld, is believed to be the most expensive film of all time and is widely expected to make a loss.

Mr Bronfman's choice of MCA as a way into entertainment may not be a foregone conclusion. The US media and entertainment

industry is in a fever of deal-making, with film, cable TV and telephone companies all seeking alliances. Mr Bronfman, who besides his \$8bn has 15 per cent of the US media group Time Warner, is in a strong bargaining position.

His ambitions to be a Hollywood mogul have gone down badly with the stock market. Some analysts said yesterday that at the rumored price, the purchase of MCA could halve Seagram's earnings in the current year. Its shares fell \$2 to \$25 3/4 yesterday, down almost 20 per cent on the week.

The sale of the Du Pont stake seems shrewdly timed, coming close to the peak of the chemicals cycle with the shares at an all-time high. The deal was claimed as a "once in a lifetime opportunity" yesterday by Mr Ed Woolard, Du Pont's chairman.

In a deal structured to minimise Seagram's tax bill, Du Pont was able to buy the shares at \$56 each, compared to a market price on Thursday of \$64. It aims to raise \$2.5bn of the total \$8.2bn price by selling some of the shares back in the open market.

Du Pont will also raise a little over \$2bn through the sale of assets. Mr Woolard said yesterday, the whole company will be scrutinised for underperforming businesses, and a decision is due in a few weeks.

Man in the news, Page 10; Du Pont will sell assets to fund Seagram scheme, Page 13; See Lex

FT WEATHER GUIDE

Europe today

Cold air will move into central and eastern Europe, accompanied by cloud and outbreaks of rain in most areas. Snow levels will fall to 1,000 metres in the Alps later in the day.

The Benelux and Germany will have sunny spells with scattered showers. Temperatures will be around 9C.

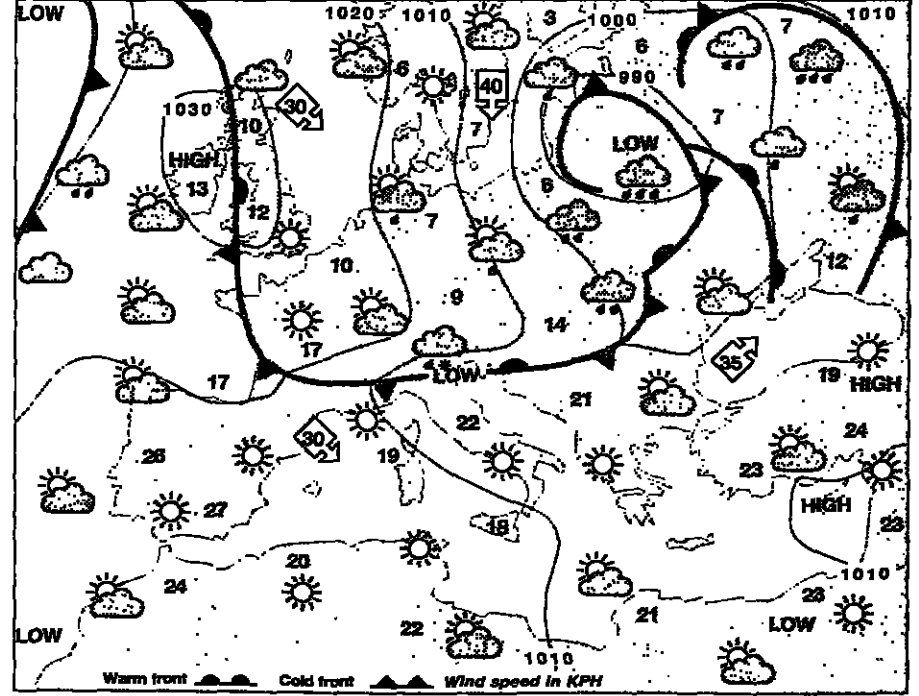
Most of France and England will have dry conditions with plenty of sunshine. Ireland will be cloudy and will have light rain. Meanwhile, most of the Mediterranean will be sunny and warm.

However, Greece and southern Turkey will have scattered showers with temperatures between 20C and 25C. Southern Spain may reach 30C in some areas.

Five-day forecast

High pressure will expand towards southern Scandinavia. As a result, most of western and central Europe will remain dry with sunny periods. Temperatures will rise from Monday.

Most of the Mediterranean will continue sunny and warm. However, the eastern regions will turn cooler.



TODAY'S TEMPERATURES

Location	Maximum	Minimum
Abu Dhabi	sun 28	sun 26
Accra	cloudy 33	cloudy 33
Algiers	sun 20	sun 20
Amsterdam	sun 18	sun 18
Athens	showers 20	showers 20
Bombay	sun 27	sun 27
Brussels	sun 12	sun 12
Budapest	sun 24	sun 24
Buenos Aires	sun 24	sun 24
Cairo	sun 24	sun 24
Cape Town	sun 24	sun 24

Situation at 12 GMT. Temperatures maximum for day. Forecasts by Meteo Consult of the Netherlands

Location	Forecast	Location	Forecast
Casablanca	sun 29	Faro	sun 22
Cardiff	sun 12	Frankfurt	sun 12
Casablanca	sun 24	Geneva	sun 12
Chicago	sun 12	Glasgow	sun 12
Cologne	sun 12	Hamburg	sun 12
Dakar	sun 24	Helsinki	sun 12
Dallas	sun 24	Hong Kong	sun 24
Delft	sun 12	Honolulu	sun 24
Dubai	sun 24	Istanbul	sun 24
Dublin	sun 12	Jakarta	sun 24
Dublin	sun 12	Jersey	sun 12
Dublin	sun 12	Karachi	sun 24
Dublin	sun 12	Kuwait	sun 24
Dublin	sun 12	Las Vegas	sun 24
Dublin	sun 12	London	sun 12
Dublin	sun 12	Los Angeles	sun 24
Dublin	sun 12	Madrid	sun 24
Dublin	sun 12	Moscow	sun 12
Dublin	sun 12	Mumbai	sun 24
Dublin	sun 12	Nairobi	sun 24
Dublin	sun 12	Nassau	sun 24
Dublin	sun 12	New York	sun 12
Dublin	sun 12	Nice	sun 12
Dublin	sun 12	Nicosia	sun 24
Dublin	sun 12	Oslo	sun 12
Dublin	sun 12	Paris	sun 12
Dublin	sun 12	Perth	sun 12
Dublin	sun 12	Prague	sun 12

More and more experienced travellers make us their first choice.

Lufthansa

CATHAY PACIFIC

WORLDWIDE

صلى الله عليه وسلم

Weekend FT

David White visits the Spanish port of Vigo, home of Europe's maligned long-haul fishing fleet and meets the people who depend on the sea

Barbarians, pirates – or simply fishermen?

You can tell this is Vigo by the smell. It hits you as you go down through the centre of town to the waterfront on the wide, sheltered estuary. The wharves, cold stores, canneries, boat-yards and fish markets go on for five miles. Here, in what has become the European Union's principal fishing port, is the first line of battle in Spain's fish wars.

The activity goes on all night. The auctions start at 8am, in long concrete halls. In one, the sharks and swordfish are laid out like the victims of some hideous sea battle. But the main product and the base of Vigo's prosperity is to be neither seen nor smelled. The frozen fish goes straight from the big boats into the warehouses that line the shore and the street behind. Just as there are freelance fish stalls outside the fresh-fish markets, the companies have frozen-food shops on the street-front.

Hidden behind the main port installations, a fisherman's monument – a man wearing a sou'wester and carrying an oar – seems a far cry from the life of the 200ft trawlers berthed in the port, clean modern ships with bridges like warships' and factories below deck where fish is washed, gutted and frozen. At sea, owners say they cost \$5,000 a day to run, which is why, even when there are patrol boats after them, they cannot afford to stop fishing.

The crew of these vessels do a job that few others in western Europe seem prepared to do, spending up to six months at sea at a time.

Vigo is home port for the bulk of the EU's distant-water fleet deployed across the seven seas from the Falklands to the Seychelles. Among them, the large Spanish freezer trawlers working on the conflictive, foggy Newfoundland banks are all from here, and almost all their 1,200 crew.

Vigo is an industrious and self-assured town set in a mostly backward and self-



Home is the hero, home from the sea: the Estal is welcomed back to Vigo (top) where officials inspect its nets and the people unload the catch

effacing region. It has grown up around fishing. When the local paper, the *Flora de Vigo*, started publishing in 1883 the population was 6,000. This has since multiplied fiftyfold. Carlos Principe, the Socialist mayor, points down from his modern town hall office to the gulls scavenging at the quayside. "When I was a boy, my father would say that as long as I could see the gulls the town would not go hungry." One way or another, he says, fishing accounts for 35 per cent of the area's economic activity and at least 20,000 local jobs, one in five. It is the epitome of an industry crucial to an individual community, and charged with emotions, but utterly marginal in the overall European economy.

In Galicia, the northwestern

shoulder of Spain, there are 67 fishing ports, employing 40 per cent of Spanish fishermen and landing half Spain's total catch. In no other EU region does fishing carry the weight it does here, with \$400m worth landed annually. Most of the Spanish canneries business – tuna, sardines, mackerel, mussels – is located here. In the whole of Spain more than 500,000 jobs depend on fisheries, including 85,000 at sea.

Vigo is the sector's heart. Since the clash with Canada hit the headlines last month, it has come to realise it has an image problem. Spanish fishermen have been vilified as marauding vandals, and nets from the captured trawler *Estal* exhibited as a "monstrosity" outside the United Nations. "They simply don't

give a damn," said Newfoundland's premier Clyde Wells. "It's stealing from mankind, just shocking, disgusting, reprehensible behaviour."

The venom received from newspapers in Britain is painfully puzzling to the Vigueses. They are not given to this kind of prejudice. But feelings about the Canadian conflict run high. After the *Estal*'s seizure, 100,000 took to the streets, a third of the population. When it returned, one of the crew, Julio Figueiredo, said if he saw another Canadian he would break him in two. But then he was just back after almost five months at sea and a week in captivity, with a good month's fishing lost and part of the catch confiscated. Nobody could remember a worse trip. "We are depicted as barbar-

ians," sighs José Ramón Fuentes, director of Vigo's trawler-owners' association. "We are not, Spanish fishermen are no different from any other fishermen."

"Now our people stick to the rules," maintains a retired trawlerman, "but it is true that for years they stripped the fishing grounds, because there was a lot of fish."

Roles have been reversed since the last violent clashes in the Bay of Biscay last summer, over the prized long-fin tuna. Spanish Basque and Galician fishermen were accused of cutting the long drift nets of French and British vessels, which they alleged were breaking legal limits. Ecological organisations such as Greenpeace were on Spain's side then, condemning the drift

nets as "curtains of death". Spanish boats do not use drift nets. The tuna, the Spanish say, are usually damaged after fighting against the nets. Their own tuna, caught with baited lines, is landed fresh and with no wastage, they say. That explains why they ask a higher price for it.

More wars are in the offing. Nerves are on edge over the terms of a new deal being negotiated between the EU and Morocco. The current one, cut short by the Moroccans, runs out this month. The waters off Morocco and the former Span-

ish territory of the western Sahara are rich hunting for mackerel, sardines, tuna, shrimp, squid and octopus. Ninety per cent of the 700 EU boats fishing there in competition with Russians and Koreans are Spanish. They include Vigo boats working out of Las Palmas in the Canary Islands and shrimp boats from Huelva in the southwest. Morocco wants to make more of its fishing industry and cut Spanish activity. Like Canada, it complains of Spanish fishermen ignoring regulations.

Rafael Montoya, leader of Andalucía's federation of fishery guilds, says if Rabat gets its way "we won't have enough water left to wash with".

Then there are the seasonal rivalries in the Bay of Biscay. First come the anchovies. Spanish and French Basque fishermen use different techniques for netting them. After battles last year, the French authorities agreed to hold off fishing until June. But, warns José Leira, the Spanish government's secretary general for fisheries: "At any moment at sea, you can never be sure there will not be a clash."

On June 5, the boats will set out from Burela in northern Galicia for the long-fin tuna, their crews still hung over from the special feast held the previous day. Madrid and Paris have been working to try to prevent a repeat of last year's incidents. And then looms Spain's full incorporation into the EU's common fisheries policy from next January.

Continued on Page VI

CONTENTS



Travel: Sick of flying? How to overcome aerophobia **XV**

Perspectives: Hi-tech highways into your home **III**

Food and Wine: The trouble with Chile... **VII**

Weekend Investor: Four pages of facts and figures for investors **XIX-XXII**



Fashions: Stay cool and dry in the latest waterproof styles **V**

Sports: Soccer's battle of wounded knees **XVI**

Arts **X, XI**
Arts Guide **XVII**
Books **VIII, IX**
Bridge, Chess, Crossword **XVII**
Fashion **V**
Food & Drink **VII**
Gardening **VI**
How To Spend It **IV**
Motoring **XIII**
Perspectives **III, IIII**
Property **XIII**
Science **II**
Small Business **II**
Sport **XVI**
Travel **XIV, XV**

NEXT WEEK
Life for the lowest castes in Bombay's biggest slum



Joe Rogaly

Playing the identity card

Major has again spoken in favour of citizens identifying themselves

Identify cards diminish personal freedom. A requirement that they be produced, either for specific purposes or on constitutional demand, would eliminate many of the corners into which the individual may scurry in search of privacy. Last week John Major spoke once again in favour of a law whose effect would be to compel British citizens to identify themselves. His scheme is opposed by right-wing libertarians. It would constitute a rolling forward of the frontiers of the state. Libertarians of the left have another reason for opposition. Any national card scheme would be a charter for police harassment, particularly of minorities.

Yet Mr Major's promotion of ID cards, ostensibly on grounds of administrative convenience, is seen by most people as the essence of sweet reason. There is strong public support for the idea, although whether this is proof against the counter-arguments that would emerge in a national debate is uncertain.

gather that some home office officials doubt both the cost and the likely effectiveness of the schemes they have been discussing. The cabinet is divided. It is at ease about the notion of introducing a new law that could stimulate widespread protests against it. The poll tax is seared in the Tory

memory. Yet the case for cards is seductive. Those who have a right to a particular taxpayer-financed service have nothing to fear. People who are entitled to be here would be untroubled. Law-abiding folk, content with legitimate pursuits, would hardly notice the difference. It would be like adding another piece of plastic to a credit-card wallet. A smart card could include all the other pieces of plastic, a boon until left in the pocket and sent to the cleaners.

Such arguments camouflage the real purpose of ID cards. They are intended to exclude, not include. By declaring that his administration will introduce them, Mr Major is sending a subliminal signal to the privet-hedge voters whose support his party has lost. Rally round the Conservative banner, he is saying, for it is we who will weed out welfare scroungers, deport illegal immigrants, and, nudge nudge, give the police even greater opportunity than they already have to stop and harass scruffy-looking youths, or black or brown-skinned persons of any age.

Whoa. Surely this is going too far? Nope. Those of us who grew up in South Africa know what an ID card can become. In officious hands, it is a pass. The passbook, with its permission to be in a certain area, its

record of poll tax paid, tribal origin, and other personal details, was the most hated symbol of apartheid. It was carried by black South Africans alone.

The principle has often been reinvented by politicians who see profit in promising protection from outsiders. In California last autumn, Pete Wilson, running for re-election as governor, floated the idea of a

Those of us who grew up in South Africa know what an ID card can become

tamperproof ID card. It would be necessary to carry such a device to enable the state administration to implement the infamous proposition 187, the one that would deny illegal immigrants schooling, welfare services, and, save in emergencies, health care.

On this side of the Atlantic, Conservatives who demand a compulsory card should be exposed for what they are doing. Botheration to their assurances. They are rooting for a British version of proposition 187.

Their chances of getting one

are finely balanced. The Tories are trying to provoke a Labour statement against ID cards. That would give Mr Major a law 'n order advantage. He could talk of how the ease of identification would help in the fight against crime, not to mention terrorism. Never mind that, as Andrew Pudddephatt of Liberty says, there is no evidence that this is so. Criminals and bombers get away with what they do because the police fail to find them, not because they are without identification.

Alas, in a general election campaign Mr Major's tune would be hummed, drowning out Mr Pudddephatt's. Labour may be expected to duck the issue, by offering a voluntary "citizens' access card", or some such absurdity. The Tories could outbid that with a compulsory scheme.

They should recall their history. Identity cards were used in Britain during the 1939-45 war. They may even have been of some help in making life awkward for enemy agents and reducing the black-market trade in ration books. Labour wanted a single card, which would include national insurance and national health identification numbers. The Conservatives opposed that, as an extension of the socialist state.

So far, so ordinary. What happened next now seems inevitable, to anyone who

knows England. After the war a number of police constables began stopping cars and asking the drivers for their ID. Clarence Henry Willcock, a manager of a dry cleaning company, refused to produce his papers for PC Harold Muckle. He was taken to court, and won the argument. The case is celebrated as the one that led the Conservatives to abolish the card in 1952.

I am confident that the Tories will now re-introduce it, partly as a double-up to the immigration controls already in force, and partly in response to electoral calculations. There is also an industrial case in favour. The computer chip business will grow even fatter on smart cards. There is no stopping any arm of the electronics octopus that has us all in its tightening and omnivorous grasp.

That, however, is the problem. Cards may protect the middle classes from the angry or fraudulent mendicants on the pavements outside, but who will protect the middle classes from the cards? In Willcock v Muckle, Lord Goddard, then Lord Chief Justice, concluded that routine police demand for cards did "tend to make people resentful of the actions of the police" and "turn law abiding subjects into law breakers". What would he have said of electronically enhanced plastic?

A 44 PIECE SET OF SOLID SILVER CUTLERY FOR JUST £1000
One thousand sets only

We are pleased to announce a strictly limited release of our award winning hallmarked sterling silver cutlery at these very special prices:-

44 PIECE SET for 6	£1000
60 PIECE SET for 8	£1380
88 PIECE SET for 12	£2000

We can make up sets of any size to suit your precise requirements and there are 20 timeless, elegant patterns to choose from.

Demand will be huge as supply is limited to 1000 sets - so send for details today by freeposting the coupon, or contact us by phone or fax. Alternatively you might like to visit our London showroom, or our showroom and factory in Sheffield - where you can watch us make your cutlery.

United Cutlers of Sheffield

Peter Street, Sheffield S4 8LL. Phone: 0114 243 3984 Fax: 0114 243 7128
London showroom: 4 Grosvenor Street W1X 0AD. Tube: Bond Street

PHONE 0114 243 3984

FREEPOST to: United Cutlers, FREEPOST, Sheffield S4 7ZZ. (No Stamp Needed).

Please send me full details of your sterling silver cutlery.

Title: _____ Name: _____
Address: _____
Postcode: _____ HMS/FT/0495

PERSPECTIVES

Minding Your Own Business / Clive Fewins

An economic cycle that satisfies



Business cycles: Patrick Shaw with a recumbent at FutureCycles showroom in Forest Row, East Sussex. Guy Davis

In Patrick Shaw's vision of the future, the car will take second place to the bicycle. The garage will be home to the family fleet of cycles.

"Ideally every member of the family will have at least three cycles - an electric bike, a hybrid machine with panniers for shopping and similar short trips, and a recumbent model for pleasure and for long-distance use," said Shaw.

These last are his main interest. Shaw is sole proprietor of FutureCycles which specialises in making and trading in these sleek, comfortable machines which look rather like a travelling deckchair.

On a recumbent bike the rider travels feet first - and fast. Recumbent bikes hold all the world speed records for cycles, according to the British Human Power Club. Will they therefore ultimately replace conventional cycles? Shaw thinks not, largely because they are much more expensive than standard models.

However he is convinced there is money to be made in exploiting the concept. "Many health practitioners say that recumbent models are much better for the posture," he said.

Eight years ago, Shaw was working as a freelance insur-

ance consultant and copywriter. A legacy left to his wife had given them some financial freedom and Shaw had become hooked on the idea of a "portfolio lifestyle" advocated by professor Charles Handy, and similar thinkers.

He met Graham Bell, an importer of recumbent cycles. "I realised what was wrong with insurance - I hated the product," Shaw said. "On the other hand Graham's bikes were colourful, and huge fun to ride."

Shaw continued with his freelance insurance work, but also began teaching business law at a local college for one day a week. As a third occupation, he became an agent for Bell in the south of England. His wife Elizabeth, a nurse, worked part-time.

Shaw spent £3,000 on three models of recumbent cycle and took to the road in his car giving demonstrations and making the occasional sale.

"At £1,250 and upwards per cycle it was not easy, particularly as it was 1980 and the recession was beginning to bite. One day I realised that what I was doing was a mug's game," Shaw said. "People needed more than half an hour on one of the machines in order to convince them to buy.

Besides, I was travelling hundreds of miles taking the bikes to them. Why not encourage them to come to me and get them to pay me to ride them?"

Shaw, his wife and young son moved from Bromley to the West Sussex village of Forest Row on the edge of Ashdown Forest. Shaw had £10,000 left from the sale of his house with which to start FutureCycles. He bought three more recumbents and concentrated on weekend cycle tours in the forest.

"Through advertising in the cycle press the business grew quite well. I was offering two nights at pre-booked bed and breakfast accommodation, plus tuition at £95 a head," Shaw said. "Quite a lot of sales resulted from the tours, but as I was only making about £200 on each cycle sale we had to live quite frugally as FutureCycles was by then my sole source of income."

First year turnover was £10,000 and profits £3,700. By half way through his second year - late 1993 - he had expanded his fleet to a dozen cycles.

"People were beginning to hear of us and there was great potential. But I was unable to get away for a proper holiday and was still turning over too

little to be able to afford an assistant," Shaw said.

Help came from Ian Crowder, a local man who had lost his job as a product designer with a building supply company. As well as assisting, when Shaw was away, Crowder teamed up with a designer friend, Jonathan Frewing, to design a new model to be sold under the FutureCycles brand name.

"Ever since Britain left the ERM in September 1992 the German and American models had become much more expensive and we had toyed with the idea of producing a light, fast, recumbent cycle to compete with the German models - we imported," Shaw said.

In July 1994, FutureCycles launched the Streetglider. It has an all-British lightweight frame and the basic model costs £1,500. Shaw refuses to divulge sales figures, for reasons he also will not go into. Cycles like this are very hard to patent and his aim is to sell as many as he can as fast as possible to recoup the £8,000 development costs.

To aid sales and get the business away from his garage, Shaw rented a 1,300 sq ft former cowshed. He pays about half the going rate in rental but had to carry out the conversion work himself. He did

that last summer at a cost of \$5,000. It has provided a showroom, an office and a workshop in which he makes bespoke machines and adapts imported models. A repair service, the forces, tours and sales of some conventional cycles complete the company profile.

The business showed a profit of £10,500 on a turnover of £55,000 in its second year. Shaw expects the same sort of return on an expected turnover of £75,000 in his third year.

"I have borrowed nothing, and I have no overdraft," he said. "But if the batches of cycles we are importing expand, as I think they might, and if we order bigger batches of frames for the Streetglider I shall have to think about a loan of some sort."

However it is the lifestyle he has achieved rather than business success that has provided his greatest satisfaction.

"It took me nearly 40 years to dump my middle class background with its expectation of a good job that would be a career for life," he said. "I am doing things I enjoy with a product I love, and really going for it."

FutureCycles, Friends Yard, London Road, Forest Row, East Sussex RH18 5EE. Tel: 0343-82847

On the trail of the fraudsters

Grania Langdon-Down asks a leading corporate detective agency about its work

There is not a tribby or crumpled raincoat in sight at Kroll Associates, the world's largest corporate investigation agency.

Words such as "agents" or "operatives" are frowned upon as "1930s gumshoe talk". The image is strictly executive and its UK base is suitably situated in Savile Row, the home of bespoke tailoring in London's West End.

Today, business is good for these corporate sleuths - if the 1980s was the decade of the deal, the 1990s is turning into the decade of fraud, according to Tommy Helsby, senior man-

aging director of Kroll Associates' London office.

Companies call in agencies such as Kroll when they are under threat of a takeover and need to know about the opposition, when they are worried about sensitive information leaking out, when they want details on a competitor or face litigation.

What they get are the combined skills of intelligence specialists, former senior police officers, lawyers, accountants, anti-terrorist experts, securities analysts, journalists and researchers who can also tap into a range of other expertise. With criminals becoming

ever more sophisticated in white collar crime, one of Kroll's specialties is to put in place deep defences against fraud, including internal financial controls, training programmes, communication, computer and personnel security and even "counter surveillance" measures.

Alongside its corporate clients, Kroll has been hired by many foreign governments to trace misappropriated assets - London staff have helped find millions of pounds for the Kuwaiti government, and vast sums siphoned off by individuals in the former Soviet Union. Inquiries have included a

reinvestigation, using new forensic techniques, into the suspicious death of Italian banker Roberto Calvi, found hanging under London's Blackfriars Bridge in 1982. "Our conclusion was that there was no way it could have been suicide, there was no way he could have ended up where he was unassisted," said Helsby.

Another case involved a financial institution which had been approached by a private individual, living in an off-shore tax haven, who appeared to be very wealthy.

"Our clients were very concerned that they might be dealing with a money launderer,"

said Helsby. "We were able to track back his business career and show how he had made his money. His explanation that he lived very privately for tax reasons was wholly credible."

He described one case of product extortion. Kroll had investigated in Vienna, where a biscuit company faced the threat of poisoning unless it paid large sums of money.

"We analysed the nature of the threatening letters and decided it was likely that they were being sent by a former employee. He had set up a complicated system for payments, involving several accounts in different banks. We got the banks to dig out old video recordings and managed to track back to when he opened the accounts and so got a picture of him."

Kroll Associates has six US offices and others in London, Paris, Hong Kong, Tokyo, Manila and Moscow. It employs a total of 250 staff, including ex-intelligence and security service agents on its US teams, and can call on a worldwide network of 1,000 associates, such as behavioural scientists, independent private detectives and researchers for additional expertise.

Average budgets for an investigation are between £15,000 and £20,000 but some run into seven figures.

Kroll takes its own security seriously. Staff use swipe cards to access the offices: most outsiders are kept to the reception area and three meetings rooms. Helsby's office is spacious with conference table, discreet telecommunications centre, computer and desk.

There are Japanese prints on the wall, bought in Tokyo with his Japanese wife, and photographs of their two young daughters.

The agency was started in New York in 1972 by Jules Kroll, an American prosecuting lawyer, and last year undertook 2,500 assignments. The London office is the largest outside New York with 30 staff, including anti-terrorist experts, former senior police officers, lawyers, accountants and securities analysts.

One case that illustrates the detailed work of the fraud detectives began when a company approached Kroll after a stolen cheque was presented at a bank with an accurately forged signature. The bank noticed the cheque number was substantially out of sequence and prevented the fraud.

But when the company checked its records, it found another eight to 10 cheques were missing, along with a bank mandate containing the authorised signatures.

Helsby explained: "The police just do not have the resources to investigate what was essentially an attempted and failed theft. But it was deeply disturbing for our clients who were worried about internal controls."

We spent about six weeks on the case, installing hidden cameras in the area where the sensitive material was kept, interviewing staff. We traced everyone who would have had access to the cheques and the bank mandate, and discovered that an organised gang had infiltrated the office's cleaning company."

Over the next month, the criminals unsuccessfully pres-



Tommy Helsby: 'We are trained to keep ourselves out of trouble'

ented three more cheques for similar amounts. Kroll pressed on its findings to the police who later made arrests.

Helsby, 41, a journalist hired 14 years ago by the agency to set up a newsletter in New York who "stumbled" into the investigative side, plays down the tough-guy image of the private detective.

Staff do work in difficult and

Russia and Africa is emerging as a new fear, with victims at great risk of panic shootings. In western Europe the threat is more from "tiger" kidnaps, in which, for example, the wife of a bank manager is held hostage to force him to open the safe.

The "crisis management" section, headed by Ray Adams, a retired Scotland Yard commander, advises companies at risk from extortion through kidnapping and malicious product tampering, which can cost companies millions in lost sales and production.

Most kidnaps take place in South America, and every traveller or executive living abroad has his or her price, with "spotters" identifying potential targets.

A typical example was the kidnapping of an executive, leaving no trace except for his blood stained car. A Kroll team stayed with the family: "If the negotiations are not controlled properly, either the kidnappers will keep the victim alive, come back for a second hit of money - or kill them."

Two growth areas in the US are investigations of sexual harassment claims and sabotage by vengeful former employees.

Helsby said: "With courts in the US making \$1m awards in

sexual harassment cases, it can mean huge exposure for companies accused of condoning it. In the UK, it is likely to be more like \$25,000 or \$50,000 and it is probably the potentially embarrassing publicity that would lead companies to call in outside investigators."

In the US, there have been cases of former employees taking a machine gun to their old company in the UK, we use an employment tribunal."

It came as a slight disappointment to learn that agents do not have James Bond-like gadgets up their sleeves. "We just look like boring old professionals with briefcases," said Helsby. "Essentially, what we do is read documents and talk to people."

Helsby said intelligence gathering was done strictly by legitimate and ethical means. While staff might gain information by interviewing someone under the guise of market research, they will not deliberately misrepresent themselves.

He said: "Some people are convinced we have staff working undercover, or that we buy telephones to get the information. We don't. It is amazing, though, how people will chat away and then half an hour into the conversation say 'where did you say you were calling from?'"

MINDING YOUR OWN BUSINESS

A financial partner is sought by a Bond Street retailer established over forty years, which has been granted a unique opportunity to open a flagship store for a Prestigious and Internationally famous Paris Fashion House.

Principals only.
Please write in confidence to Box B3476, Financial Times,
One Southwark Bridge, London SE1 9HL

"BUSINESS OPPORTUNITIES DIRECT WITH CHINA"

If you are interested in working direct with China in connection with your business please contact: "CHINESE COMMERCE AGENCY" - in association with CCOIC - CCPIT & CHINESE CHAMBER OF COMMERCE

20, Rupert Street, London W1V 8AN
FAX: 0171 224 8099 - TEL: 0171 434 3636

INTERNATIONAL FUND NEEDS

INVESTMENT BANKERS to deal with high net worth individuals, banks, insurance co. and funds. Excellent compensation and benefits. Must have 10 yrs experience. Fax resume New York 212-758-8137

READERS ARE RECOMMENDED TO SEEK APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS

BUSINESSES FOR SALE

MATURE FINANCIAL SOFTWARE COMPANY
Opportunity to acquire Controlling Interest

Profitable UK-based company with turnover in excess of £1m. Development and implementation of micro-based systems for distribution of information across LAYs and WAYS. Global user base and recurring revenue stream. Of interest to Principals with sales and marketing resources, and growth aspirations.

For further details contact Baker Tilly, 2 Bloomsbury Street, London WC1B 3ST, quoting reference PAS2.
Fax No. +44 (0)171 813 5101

BAKER TILLY
Chartered Accountants

Authorised to carry on audit work and authorised to carry on members' business by the Institute of Chartered Accountants in England and Wales.

BUSINESS SERVICES

Save 50% On International Phone Calls

Stop Being Over-Charged!
Start Saving Money TODAY!

UK-Australia Save 30% - 29p/min
UK-Brazil Save 40% - 71p/min
UK-Canada Save 30% - 22p/min
UK-Hong Kong Save 40% - 44p/min
UK-Israel Save 30% - 68p/min
UK-Japan Save 50% - 44p/min
UK-London Save 25% - 39p/min
UK-Singapore Save 50% - 39p/min
UK-S.Africa Save 40% - 59p/min
UK-S.Africa Save 40% - 59p/min

Savings Compared To B.Telecom
CALL NOW FOR DETAILS!
No Connection Fee!

Tel 0181-490-5014
Fax 0181-568-2830
Dial International UK

SAVE ON INT'L PHONE CALLS!

USA only 24p per min
Australia 40p per min
Ask about our low rates to other countries!

Freephone:
Call: 0800-06-4016
Fax: 0800-06-4016
Call USA: 1-206-216-6161
Fax USA: 1-206-216-6262

418 2nd Ave W, Seattle, WA, 98119, USA

BUSINESSES WANTED

ACQUISITIONS

Purchases of discretion
intermediary purchasing
for companies &
individuals call.

Tel (USA): 617-630-8384
Fax (USA): 617-630-8385

BUSINESS SOFTWARE

To advertise in this section please telephone 0171-873 3303
or write to Nadine Howarth at the Financial Times,
One Southwark Bridge, London SE1 9HL or Fax 0171 873 3065

FREE SHARE PRICES AND MUCH MORE...

OPT-All Telexed automatically downloads share prices, even unlisted - use with any spreadsheet for customized analysis and graphics. NO on-line costs. Includes new "Investment 2000" service. Also "buyers' search" "DOE live-link" etc.

Ask for free illustrated booklet
OPT-ALL TECHNOLOGY LTD
100, The Quadrant, London W1V 4YF
Tel: 0181-232 0230
24-HOUR FAX-ON-DEMAND SERVICE -
Tel: 0181-232 0230

MARKET ACCESS - DATA COLLECTION MADE SIMPLE

If you need data, fast, accurately, flexibly and reliably, look no further. Market Access, from Synergy Software, breaks new ground in data delivery and removes the anxiety of data maintenance. Elaborate process from most markets - at your fingertips.

Synergy Software 0522 424282 or
Fax 0522 422741

SELECT 400 RETAIL BANKING SYSTEM

Robust Networked Package
Selected by three of the largest UK Banks.
Secure
Complete Functionality
Multi-Currency
Multi-Lingual Correspondence
On-line Signature Verification
A totally modern economic platform for LT efficiency.

John Crossland Central Software
Tel 0424 624957 Fax 0424 628783
RSE Northern PC1 Select 400
Tel 0163 244266 Fax 0163 244548

COMPUTER AIDED SALES & MARKETING

Breakthrough, a comprehensive sales & marketing productivity system. Handles contacts, prospects, clients, dealers products & services. Produces form letters, mailshots, sales action lists. Report generator included. Manage sources, campaigns, costing, response evaluation, notes, telephone scripts & much more! DEMO DISC available.

ROCKEL, FREEPOST, London W10 1BR
TEL: 081-483 9188
FAX: 081-365 3482

ALL RIGHTS/TITLE IN MULTIMEDIA DATABASE APPLICATION FOR SALE

Full source code. Windows client/server. ROBMS front end, with capture and display. 80% complete - working demo - very elegant & robust. Written in VBPro and C++, supports ODBC, MIDI. Professionally developed with strict adherence to MS standards. AT&T/IBM partner and SOA's member. Write to Box No B3805, Financial Times, One Southwark Bridge, London SE1 9HL.

"BUSINESSES FOR SALE"

Appear in the Financial Times on Tuesdays, Fridays and Saturdays.

For further information or to advertise in this section please contact:
Karl Loynton on +44 0171 873 4780 or
Lesley Sumner on +44 0171 873 3308

'The company found more cheques missing, plus a bank mandate containing the authorised signatures'

dangerous parts of the world, but, said Helsby: "We are not about hiring ex-SAS men who are experts in unarmed combat. We are trained to keep ourselves out of trouble in the first place by keeping a low profile and avoiding confrontation."

But they are very clear about the need to advise clients on new dangers. Kidnapping in

السؤال الأول

PERSPECTIVES

Married in two hours

Peter Whitehead recalls the spontaneity of his wedding

With the authority vested in me by the US Coast-guard," said the captain. "I now pronounce you husband and wife." And so, standing coyly on the bridge of the Tahoe Queen paddle steamer, we were wed.

Yet less than two hours earlier on that Sunday afternoon in South Lake Tahoe, California, we were still planning how to spend our evening. A concert at one of the casinos on the Nevada side of the state border was fully booked. So how about getting married?

We had seen the roadside wedding chapels with names such as Cloud 9 Weddings, Chapel of the Bells and Amor du Lac. Out of curiosity, we had called into one. It was ghastly, full of cigarette smoke and teenagers. But a leaflet in our hotel room held out hope - a ceremony aboard the Tahoe Queen as it cruised the gorgeous Lake Tahoe.

Wondering whether a British couple on a skiing trip to the Sierra Nevada would qualify, and whether it would be legal back home, we made inquiries. "Gee, you're cutting it fine. The boat leaves at 6.30. But if you can be here by quarter to six for the paperwork, we'll do it," came the response.

It was 5.15 and we were still in our ski clothes. But we said we would be there. Twenty minutes later we were almost ready and should have made it to the quayside office just in time - but the dark clothes my bride was wearing triggered a short, sharp debate and a drive to the shops.

Incredibly, a clothes shop was open as the clock ticked on towards six. My wife-to-be was bundled into a cubicle and every cream-coloured item of clothing in the store was hurried at her.

A silk blouse and skirt were deemed most appropriate by the increasingly excited shop assistants, one of whom was still snipping at price tags and labels as we ran across the car park to the car.

We scamped breathlessly into the wooden office at a few moments after six. "Hey, no worries. We've plenty of time," said the registrar.

The paperwork was simple, the arrangements relaxed. Dollars changed hands and we were swept along by American efficiency and enthusiasm. There was even time for a brief photographic session on deck.

We could have been married on the boat's dance floor - the Tahoe Queen was making a starlit dinner-dance cruise - but rather than become the evening's cabaret, we chose the privacy of the bridge. Captain David Clark would collect us from our table once he had got the cruise underway.

The ceremony was short and solemn on a bridge - some

Next, we tied up loose ends, such as telephoning disbelieving families

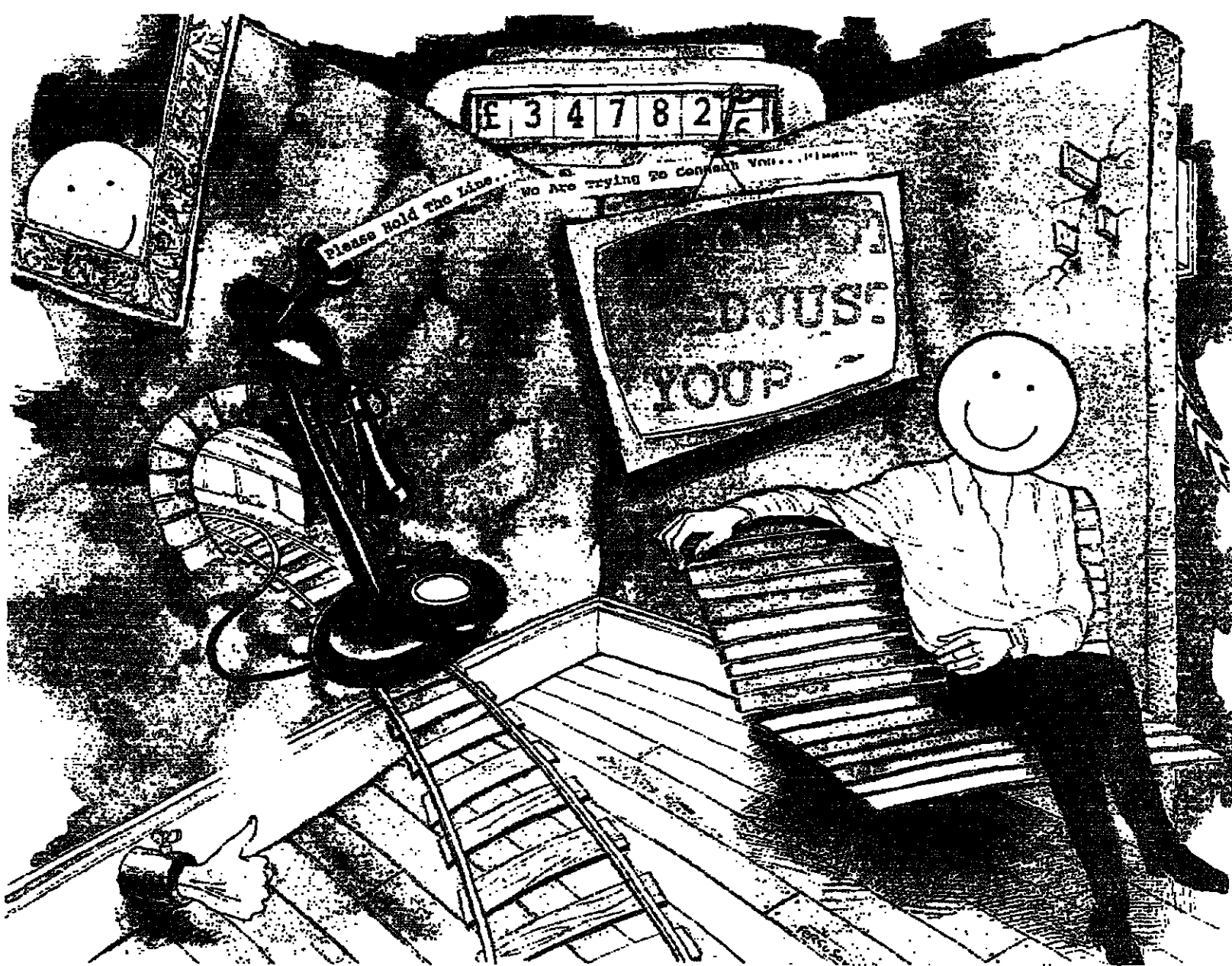
And there, in the middle, were our six wedding photographs. "Ten dollars each, or 50 dollars for the lot," said the photographer's assistant. "Gee, you just got m-a-a-rried," came a drawl from behind. We handed over \$50 and left.

Over the next few days, we tied up the loose ends between visits to nearby ski resorts. We telephoned disbelieving families, bought wedding rings (our unpreparedness meant we had to skip the part of the ceremony which referred to rings), and had our licence stamped at Placerville (formerly Old Hangtown), in El Dorado county.

It might sound frivolous in the re-telling but we were in our thirties and felt anxious at the prospect of a traditional "Big Day". In fact, our wedding was a surprisingly serious and dignified occasion.

It was romantic and exciting too. Celebrations with family and friends stretched into the early summer, culminating in a lunch at Merchant Taylor's Hall in the City of London.

The recent liberalisation of the UK's law on where couples can marry - until last Saturday they were restricted to churches and register offices - might encourage more to wed and give a small fillip to what is said to be the flagging institution of marriage. But Britain has a long way to go before it can match the excitement and spontaneity offered in other parts of the world.



Highways into your home

David Lascelles and Andrew Adonis on the coming revolution in domestic technology

work and the newest long-distance phone company, Energis, was spawned by the National Grid and has erected its 3,500km network across the earth wire of the Grid's pylons.

In the electricity market, regional companies are planning to expand beyond their local monopolies, so you may find Scottish Power seeking customers in Cornwall. British Gas itself could become an electricity generator.

We may even see the emergence of super-utilities providing a range of services: Norweb, the Manchester-based electricity distributor, is getting into gas and telecoms.

Ten years hence telecoms companies - and, probably, the Post Office - will have diversified into an array of new services. BT will have a video-on-demand service linked to a library of Hollywood movies; the Post Office may be using its sorting offices as storage and distribution centres for home shopping services. You may end up paying BT for your videos, Yorkshire Electricity for your phone line, and the Royal Mail for your groceries.

Take a look at your home 10 years from now.

You have five incoming telephone lines. At least one of the lines is a cellular line, which doubles as a mobile phone when you are out and about. The others are linked to a fibre-optic "superhighway" with a far greater capacity

than existing copper telephone lines. It can carry dozens of television channels and a range of "interactive" services that enable you to summon videos, interrogate databases, impart information and place orders for goods and services.

Some of the new superhighway services will be expensive. To experience a "virtual reality" dive to the Great Barrier Reef, for instance, you need special goggles and a wide-screen television in addition to the networked "reef package". But phone and E-mail charges will be barely half their current level in real terms.

Ordering a movie across the network will be cheaper than hiring a video today, browsing through an electronic home shopping catalogue and placing your orders will be cheaper than a bus fare.

You might choose films and shops from an array of competing suppliers. Least-cost routing software in your telecoms junction box automatically charges your calls - whether for a film or for a basic phone call - to the cheapest of the many telecoms companies to which you subscribe.

In your back kitchen, where you used to have your central heating boiler, a small gas-fired electricity generator whirs quietly. It produces your power and uses the waste heat for central heating. It is controlled by an intelligent meter which works out every

half hour whether it is cheaper to generate electricity or buy it from the grid. If it senses that the grid is heavily loaded, it can even pump surplus electricity back up the wire and sell it for you.

This combined heat and power (CHP) system is enormously efficient: it makes twice the use of gas's calorific value as today's boilers.

The key to the changes is a view of the utility, not as a service, but as a marketing route into the home

Two-way communication between the electricity company and your meter enables your supplier to offer you "interruptible" services so that you can have cheaper electricity in return for letting the meter switch off non-essential appliances if power demand surges on the grid. You have a display on the kitchen wall showing how much gas or electricity you are using, and what you owe since you last paid the bill.

But even the money arrange-

ments could change. Some futurists in the utility world see the meter providing a link with the bank: it could dock your bank account automatically, or better still, act as a kind of on-line bank account which settles all your household bills.

All these services may belong to tomorrow, but the technology on which they depend is already available, and much of it is UK-based, spawned by the changes in the marketplace.

The key to the changes is a new view of the utility, not as a monopoly supplier of a routine service, but as a marketing route into the home.

Jonathan Stern, a consultant to the gas industry, says: "Smart metering means you could have utilities offering tailor-made services to each household."

Arthur Andersen, the management consultancy, has opened a "Smart Store" in Windsor featuring the home and shop of the future. The kitchen includes a television with an interactive recipe programme that tells you what ingredients you would need for a barbecue party - and then orders them for you.

These, at any rate, are some of the possibilities. It is now up to you, householder, to make use of them. But will you?

A century ago, telephone pioneers assumed that their invention would supplant the

postal service. Today, more letters are delivered than ever. Much of the "superhighways" hype has been around for a decade, but telecom operators have yet to provide a commercial video-on-demand service, let alone interactive recipe books and financial consultants.

You may be able to save money by shopping around for the cheapest gas and electricity, but will it be worth the effort? Will you feel happy buying gas from a company you have never heard of, or hooking up your telephone to an electricity supplier based at the other end of the country?

John Wright, a specialist in utilities at Price Waterhouse, thinks many of the ideas being proposed are far-fetched. But he agrees that dramatic changes could occur if people are given the right choices and incentives.

The typical family may never want to dive to the Great Barrier reef in the living room. But if the weekly shopping can be delivered at the flick of a switch, surely someone will want to take advantage of the opportunity?

The Nature of Things / Clive Cookson

The killer diseases that face extinction

The growing threat to health from infections old and new - from tuberculosis and AIDS to nameless viruses yet to emerge from the jungles of Africa and Amazonia - has received much publicity. Less attention has been paid to the opposite side of the story: the prospect of wiping out some of the world's most dangerous diseases.

Smallpox was eradicated in the 1970s, and yesterday the World Health Organisation reaffirmed that it was still on course to get rid of polio by 2000. The whole western hemisphere has been free of this terrible paralyzing illness since 1991.

Dracunculiasis, a water-borne disease caused by the parasitic guinea worm in tropical Asia and Africa, is on schedule for eradication even before 2000.

Of greater global significance is the prospect of wiping out measles within the next generation. Although measles is popularly regarded as a relatively innocuous childhood illness, it kills more than 1m babies and children every year in the third world.

In world health parlance, "eradication" means exterminating the organism that causes the disease. The smallpox virus no longer exists outside two high-security laboratories in the US and Russia - and, as we shall see later, there is a lively controversy about whether their stocks should be destroyed. This is a

step beyond "elimination" of a disease as a public health problem, through prevention of human infection and/or effective treatment, when the germs responsible still exist in the wild.

What makes a disease potentially eradicable? The first requirement is that human beings are the only species infected. If the organism also flourishes in other animals and its life cycle does not depend on people, then there is no practical way of exterminating it. For this reason, dracunculiasis is the only candidate for eradication among parasitic diseases. Many viruses and bacteria also have ineradicable reservoirs of infection in wild animals.

A second requirement is that the organism should live only for a limited period in the people it affects. Eradication of germs that remain dormant for many years in carriers, such as leprosy bacteria and herpes viruses, is impractical.

Thirdly, there must be a cheap and reliable way to prevent infection. In the case of dracunculiasis, this means stopping people drinking directly from open ponds contaminated with the micro-

scopic larvae (which grow into metre-long guinea worms inside their victims), either by giving them nylon gauze to filter the water first or by providing clean water from other sources.

Mass vaccination prevents viral infection. The WHO polio campaign is based on routine immunisation with oral polio

Some say we have no right to make any species extinct, whether panda or polio

vaccine (OPV); an estimated 80 per cent of the world's babies receive three doses of OPV in their first year of life. In developing countries this is supplemented by national immunisation days, on which every child under five receives two booster doses. And during the final stage of polio eradication in a particular country, health workers take OPV from door to door in high-risk districts, immunising all young chil-

dren. At the same time, the last cases are detected by giving sensitive viral tests to anyone showing symptoms of paralytic illness that might possibly be polio.

Fortunately eradication does not require everyone to be vaccinated. Mathematical models of infection, confirmed by practical experience with smallpox and polio, show that overall vaccination levels in the region of 80 per cent are enough to break the "chain of transmission".

The whole of America, north and south, is free of polio and the campaign has reached the final "mopping up" stages in many other parts of the world including the Middle East, China and east Asia. The principal remaining reservoirs of wild virus are in west and central Africa and, above all, in south Asia: more than 80 per cent of the world's 7,900 reported polio cases in 1993 were in India, Pakistan and Bangladesh.

Health officials say that, although the WHO campaign is on schedule, it could still be thrown out by political upheavals, economic crises, social unrest and war.

WHO will declare the world

officially polio-free when three years have passed without a reported case. Then immunisation can stop and the world will finally enjoy the full benefits of having eradicated its second viral disease.

The last luxury of eradication will be the debate about whether to destroy the laboratory stocks of polio. Such an argument has been raging for several years over the fate of smallpox.

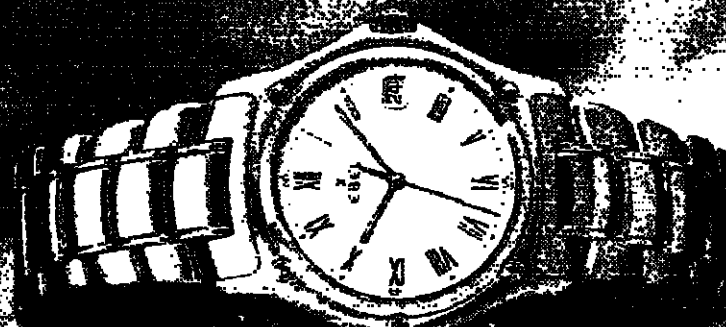
WHO officials want to kill the remaining smallpox virus, which is locked away in high-security labs in Atlanta and Moscow. Its destruction would symbolise the ultimate eradication of a disease that was killing 2m people a year as recently as the 1960s. And as long as the stocks remain in existence, there is a risk that the virus might escape and cause a new smallpox epidemic, either accidentally or through terrorist activity.

Many medical researchers, however, oppose destruction, which they see as a political rather than a scientific act. They argue that the tiny risk of escape is outweighed by the valuable information - for example about viral virulence - that could be obtained by studying the live virus.

Furthermore, smallpox might conceivably have survived elsewhere, in bodies buried decades ago in the Siberian permafrost, or in forgotten vials in other laboratories. And some conservationists argue that we have no right to make any species extinct, whether tiger or smallpox virus, panda or polio.

E B E L

the architects of time



1911

Two sizes for men and one size for ladies. Quartz or mechanical self-winding movement. Curved sapphire glass. Water-resistant to 30 metres. Metal bracelet or water-resistant shurkin strap. 5 year international limited guarantee.

MONACO: VANDERBILT. GERMANY: BRÜDER HANSEN & SÖHNE, HAMBURG. SWITZERLAND: LES JAYRAC, CHAM. AUSTRIA: KASNER, VIENNA. SLOVENIA: SLOVENSKA ZUPKA, Ljubljana. BELGIUM: J. VAN DER BRUG, BRUXELLES. UNITED KINGDOM: WATSON OF SWITZERLAND, LONDON. DENMARK: J. VAN DER BRUG, COPENHAGEN. SPAIN: J. VAN DER BRUG, MADRID. ITALY: F. VAN DER BRUG, MILANO. JAPAN: J. VAN DER BRUG, TOKYO. KOREA: J. VAN DER BRUG, SEOUL. SWITZERLAND: J. VAN DER BRUG, BASEL. SWITZERLAND: J. VAN DER BRUG, BASEL. SWITZERLAND: J. VAN DER BRUG, BASEL.

HOW TO SPEND IT

Guinea pigs in the language laboratory

Judith Gubbay tests hi-tech home-teaching programmes

Pauline Rosenthal has just booked her umpteenth holiday in her favourite country, and she is determined to be able to say more than a muttered *capuccino* per favore. "This time I really must learn enough Italian to be able to communicate with people."

"My knowledge of French reached a plateau at O-Level," says John Baer. "We go to France on holiday at least once a year. I'd like to understand more and speak it better."

For Linda Zeff, a freelance editor, the main appeal of getting to grips with German is work-related: "My job includes having to resolve queries on German text, so I need to be able to pronounce the words at the very least."

Can videos, cassettes, CDs and computer wizardry help make learning a language painless for adults?

The experts are unenthusiastic about self-study alone as a way of learning a language, although they have kind words for certain elements of courses like the ones our students tried.

"Tapes are very useful for listening practice, as long as they use native speakers," says Philippe Bolvin, a French tutor. His verdict on self-study of languages in principle: "I've been giving private French lessons in England for the last six years, and I'd say 60 to 70 per cent of my students had tried self-study or big classes and given up. These courses are OK if you just want to be able to get by. But learning a language properly takes time – and doing it on your own is particularly time-consuming."

Philippa Wright of the Centre for Information on Language Learning and Research (CILL) agrees that it is vital to be realistic about the time and money you are prepared to put into it – and about how much you actually enjoy languages and learning.

"You can discover how you will get on with a self-study course by borrowing one from the library or through a local adult education col-

lege. Try to stick with it, following the instructions, before you decide whether it's right for you." Wright advises against using unfamiliar technology while trying to master a language, and warns that some courses have simply transferred old teaching methods on to a new format.

"But the CD-Rom market is expanding rapidly, so more interesting products are likely to become available." Like Philippe, she would encourage listening to a wide range of material and voices, and using a variety of media, whether on video or foreign language radio and satellite TV stations.

CILL's *Information Sheet 4: Languages courses for adults* is free (please send sae) from 20 Bedford-

Can videos, cassettes, CDs and computers make learning a language painless?

bury, London WC2N 4LB or ring for a copy from its Information Library on 0171-379 5110.

Our three language-learners each gave a month's trial to a modern media self-study course.

Pauline

Pauline's course was audio-visual *Get By in Italian* (one video cassette, two audio cassettes, one book): BBC, £29.99. "The first of the six units covers greetings and ordering drinks; I worked through it thoroughly, with the cassette and the book, repeating what was said until I felt confident with what I had learned. Then, as instructed, I watched the video – and, although the dialogue was slightly more complex, I was pleased to discover that I could understand everything on it."

Likes
☐ Hearing words on tape while seeing them in the book
☐ Variety of voices on the cassette
☐ Realistic situations in the lessons
☐ Opportunity to see people speaking on the video
☐ Additional material on culture
☐ Well-structured, attractive course, with easy instructions

Dislikes
☐ Difficulty of hearing what was said in street scenes (although the book made it clear)
☐ Presenter's distracting movements
☐ Poorer quality of filming in streets/cafes compared with studio

Verdict
 "Excellent. I would buy it. I had tried evening classes before, but only lasted about three weeks because they didn't make it interesting enough for me to carry on. I think this course is exactly what it says it is – no more than that. It is perfect for holidays. Although I have only done one unit so far, I feel I have learned a great deal."

John

John tried the *Dialogue* course for beginners from Macmillan (two video cassettes, eight audio cassettes, two car cassettes, three books, dictionary, telephone helpline): £169, freephone 0500-190500 for information pack, 21-day free trial period.

"I listened to units one to 20 a couple of times, and then skipped to unit 29 and 30. The material is based on topics such as accommodation, food and shopping. The intention is that you listen to the tapes without reading the text, until the words are familiar, then follow the dialogue in the book. Finally, you complete the exercises linked to the dialogue and learn key phrases."

Likes
☐ Dictionary (though rather complicated for such a basic course)
☐ Key phrases at end of each unit
☐ Flipping of words which might be difficult before a dialogue
☐ Crosswords (very easy, however)



on. Having followed the course for nearly a month, my French has not improved noticeably. However, the course is mainly aimed at people with absolutely no language experience or who did not get far at school; because it is so undemanding it could introduce the language."

Linda

Linda used *Think & Talk German* (multimedia-PC-driven CD-Rom and CDs): Berlitz, £159 through WH Smith or by mail from First Computer Centre tel: 0632-310287.

"There are 50 scenes on nine CDs, which you use in the CD-Rom drive of a personal computer. For each 'scene', you hear German words and phrases and linked sound effects, while illustrations designed to help you guess what is being said appear on the screen; the second time round you try to repeat the words as you hear them; the third time, you reply to the simple questions included in the 'scene' before hearing the answers. In the next step, you see the same sets of words and phrases printed on the screen; the third step involves typing in answers to questions; for the fourth you record your own voice as you put phrases together for yourself."

Likes
☐ Effective drumming in of words
☐ Hearing the rhythm of the words and phrases
☐ Not being able to have a conversation based on vocabulary I had learned (mostly nouns, no realistic situations)
☐ Process of repetition boring
☐ Uninteresting scenes
☐ Disappointing graphics – just static cartoons, no moving pictures
☐ Very confusing and non-user-friendly manual; poor explanation of things such as how to use the on-screen dictionary
☐ Need for technical know-how

Verdict
 "I remember all the words I learned, and I could look at other words now, and have confidence that I would know how to pronounce them. I had never studied German before, although I had seen lots of German phrases. I thought the course would be fun, and would take advantage of CD and computer technology, but it didn't seem to add much that you couldn't have got with audio tapes. It says it is a self-contained teaching programme for the tourist, business traveller and student, but seems more as if it is intended for a child. It is so slow and irritating."

Dislikes
☐ Basic vocabulary (even advanced units had few words new to me)
☐ Stilted, low-budget videos
☐ Course material not interesting or challenging (one unit consisted mostly of counting up to 80)
☐ Car cassettes simply repeat the dialogue used in the units

Need to consult separate practice book, as well as course book
☐ Stilted, low-budget videos
☐ Videos difficult to watch more than once: tended to jump around from topic to topic
☐ Verdict
 "I thought the course was far too

easy, presumably so users would think they were making good progress. (I have a very moderate French O-level, passed 20 years ago, topped up by perhaps half a dozen short trips to France.) The first tape consists almost exclusively of people saying *'bonjour', 'bonsoir'* and so

Anyone who bought a good quality, 19th century sampler in the last decade, preferably a brightly coloured one with more picture and fewer words, made a shrewd investment.

Samplers, the decorative examples of needlework featuring illustrations, verse and often the alphabet, are increasingly sought after. "We've seen an enormous interest and price jump in this area," said Kerry Taylor, a Sotheby's textiles expert. "A few years ago a cracking Victorian sampler might have cost about £800 but now you can double that and might have to pay £1,500 to £2,000 for a really attractive one in perfect condition."

According to Taylor, there is always interest in names. "There's no other way to buy something containing so much social history," she explains. A

The lure of the gold thread of history

Anne M. Sebba investigates the rising market for needlework samplers

sampler with a floral border and a sad verse, possibly listing dead members of a family, although now, will usually appeal, as will a poignant verse about death, provided there is a pretty house as well. "But a mourning sampler with a weeping willow and no theme to lift the heart might be harder to sell."

She is sent dozens of alphabet and numeral samplers but these, with not much of a story to them, rarely reach more than about £50.

Joy Jarrett of Witney Antiques, who holds one of Britain's biggest stocks of samplers, has also noticed recent interest. "I think a sampler

does not seem such an expensive proposition compared with a water-colour, for example, when you remember it took so much longer to make and there are fewer of them around."

Jarrett believes that very good samplers are still under-priced – she has a pair of fine, 18th century, non-pictorial samplers at £1,700 – and points out that with samplers, unlike paintings, it is still perfectly possible to find museum quality works available.

Originally, samplers were a record of stitches and patterns worked by adults for reference on long strips of linen to be rolled away.

By the 18th century they had

become squarer and shorter, with a border, verse and sometimes pictorial, and were clearly intended as a child's exercise to be displayed. Although the early 18th (and much rarer) 17th century samplers are still the most expensive and may contain examples of very fine needlework, to the non-expert collector they lack instant appeal and have therefore not risen steeply in price. They can fetch between £4,000 and £6,000, which is not so far from the price they have long commanded.

But most people who buy samplers are looking less for an investment and more for something pretty to hang on

their walls with a fascinating piece of history attached.

"After all, few antiques bring you face to face with the person who made them and these were ordinary young girls, not professional artists. That's the appeal," Jarrett says.

She has just compiled an important exhibition of samplers which record the name of the institution or teacher under whose instruction the samplers were sewn and are therefore an important source of information about 18th century moral, religious and technical education. Much of this information is recorded on the reverse gives additional facts.

Although samplers became increasingly popular throughout the late 17th and 18th as a fashionable furnishing accessory, the latest boom is fuelled chiefly by the revival in the craft of needlework itself.

There are two large London fairs and a magazine devoted to the craft. Thousands of British women are buying kits or designing their own modern samplers and are starting to buy old ones, partly for inspi-

ration and because they know how much time and effort must have gone into their making.

The American influence is also important. Prices paid for an American sampler with a well documented provenance can reach almost £65,000.

It is possible to find an attractive 19th century sampler in good condition for about £300. But for anyone hoping to start a collection the advice is, as always, buy only what you like, examine the piece carefully before buying and learn as much as you can in advance.

There are several museums with collections, such as the Victoria and Albert in London, the Fitzwilliam in Cambridge, Strangers Hall Museum in Norwich, and Montacute House in Somerset.

Jarrett says there can be pitfalls to buying samplers at auction. "Sometimes, the long ones have been cut to fit a particular frame or the bottom part may have rotted, or sometimes a coloured pen or paint has been used to fill in the background if there is a hole. In the excitement at auction,

you may not notice these things."

In addition, many old samplers have been glued to old wooden boards and put in frames that are now breaking, allowing insects to enter and attack the fabric. A sampler bought from a reputable antique shop will probably have been cleaned if necessary, backed on to an acid-free board with unbleached backing fabric and reframed in an appropriate style using ultra-violet protective glass.

Taylor says it is not always necessary to take apart an old piece of needlework, remount and reframe, as cleaning can be destructive. "The most important thing is to examine the piece carefully and check not only the condition of the fabric but that the name and date are contemporary and in the same thread; sometimes an early date has been added later."

Buying a sampler with some worn patches or slight migration of dyes is not a disaster as long as the condition is reflected in the price. There are several textile restoration experts who can clean and con-

serve a damaged piece but this is a highly skilled process.

Jacqueline and Michael Hyman of the Textile Restoration Studio will only conserve what exists and will not work new embroidery, but they can limit moth damage, disguise worn patches and will clean, stretch, straighten and mount a sampler to museum standards for between £120 and £150. They also have a mail order catalogue of specialist products because some people will always prefer to do their own repairs.

Jacqueline and Michael Hyman, The Textile Restoration Studio, 2 Talbot Road, Bowdon, Cheshire WA14 3JD; Tel 0161-928 0020.

For a list of other textile conservationists in the UK contact the Conservation Register of the Museums and Galleries Commission on 0171-233 4200.

Witney Antiques is at 96-100 Corn Street, Witney, Oxon OX28 7BU; Tel 01235 703902.

GOOD SHOOT TO LET

One day available in November, December 95 and January 96, not a Saturday. Beautiful setting, lunch to match. One hour from London in the Chilterns. Ideal for private or corporate entertaining. Tel: 0494 524411

Kinghill
 SUMMER 1995

FROM CATWALK TO CATALOGUE

To order a copy of our British Designer Collections, priced at £5 (UK), please call us on 01494 890555, send us a fax on 01494 866003 or write to: Kinghill, Freepost, Great Missenden, Bucks HP16 0BR.

The Best of British Design by mail

Kinghill
 DIFFUSION
 SPRING SUMMER 1995

Designer quality, diffusion prices, by mail

To order Diffusion, priced at £2.50 (UK), please call us on 01494 890555, or send us a fax on 01494 866003, or write to: Kinghill, Freepost, Great Missenden, Bucks HP16 0BR.

Kinghill
 SUMMER 1995

Designer quality, diffusion prices, by mail

To order Diffusion, priced at £2.50 (UK), please call us on 01494 890555, or send us a fax on 01494 866003, or write to: Kinghill, Freepost, Great Missenden, Bucks HP16 0BR.

Superb Strauss

Anyone with a passion for music and hi-fi will feel instantly at home with ATC.

In the true tradition of many small British companies, we have a single-minded passion for quality.

Flat out, we hand-produce hardly more than 100 pairs of loudspeakers a week.

The result? Nothing short of perfection.

But don't take our word for it. Listen to Strauss.

Prices from £1,000 to £20,000. (Call 0285 760561 for more.)

ATC

ATC Loudspeaker Technology Ltd.
 Gypsy Lane, Aston Down, Stroud,
 Gloucestershire GL6 8PL

A ROMANTIC BREAK WHERE YOU BOTH GO YOUR SEPARATE WAYS.

In the heart of Avshire stands the perfect place for couples to relax together, yet follow their own interests.

Turnberry has developed a special Two and Five Night Partner Programme called 'Two's Company'.

A special short break which gives one partner the chance to play golf to their hearts content, while the other can enjoy a relaxing time in our renowned Spa.

Spend two nights at Turnberry and from only £280 per person up to and including 27th April, £344 thereafter, you will have a deluxe room, a Scottish or healthy Spa breakfast each morning and a choice from the daily dinner menu in the restaurant each evening.

Added to which there is also the choice of one round of golf on the 1994 Championship 'Ailsa' course, or a treatment in our excellent health Spa.

For more details of this and other special breaks simply call 01655 331000 for our 'Great Times' brochure.

Turnberry

HOTEL, GOLF COURSES AND SPA
 Avshire, Scotland KA26 9LT.
 Tel: (01655) 331000 Telex 777779 Fax: (01655) 331706
 A member of "The Leading Hotels of the World"

PRECIOUS EGGS FOR EASTER

A selection from our Easter egg pendant collection in 18 carat gold, silver and semi-precious stones.

ilias LALAOUNIS

5 Sloane Street, London SW1
 Tel. 0171 235 9253

ATHENS • NEW YORK • PARIS • GENEVA • ZURICH • TOKYO • HONG KONG

FASHION



Blue belted swingcoat in cotton and microfibre, £390, from Aquascutum, Regent Street, London W1. Navy crêpe dress, £35, from selected Marks and Spencer branches. Belt by Otto Glanz, £16.95, bag by Osprey, £105, both from Fenwick, New Bond Street, London W1 and branches. Earrings, £55, by Wright and Teague from Jess James, Newburgh Street, W1.



Taupe modal/polyester microfibre swingcoat by Feminella, £275, from Liberty, de Gruchy of Jersey; and Brown Thomas of Dublin. Cream acrylic twinset, £19.99 and £14.99, from Dorothy Perkins. Beige cotton Capri pants, £20, from Facing Green, Regent Street, W1 and Manchester; 01345-331177 for mail order. Silk scarf, £190, from Holland and Holland, Bruton Street, W1. Belt by Otto Glanz, from Fenwick, Gillingham and plastic umbrella, to order from Erickson Beamon, Elizabeth Street, SW1.



Pink proofed cotton trenchcoat, £255; cream wool skirt, £140; both from Burberry, Regent Street, London W1; Haymarket, SW1; Edinburgh and Aberdeen. Pink cashmere sweater, £25, from Cashmere by Design, Neal Street, WC2 and Dickins & Jones, Regent Street, W1. Silk scarf by Cornelia James, about £20, from Fenwick, New Bond Street, W1. Sunglasses, £79 from Outter and Gross, Knightsbridge Green, SW1; Joseph, Sloane Street, SW1 and Old Bond Street, W1; and Whistles branches.

It might as well rain until September

Grey skies no longer call for an old beige mac, writes Avril Groom. The latest styles in waterproofs mean no one minds inclement weather

With predictable scientific caution, no meteorologist will admit that northern Europe's run of mild, wet winters is caused by global warming. Even this week's UN climate-change conference in Berlin regarded the reasons for rising temperatures as a subject of speculation.

Even if the greenhouse effect is proved, says the Meteorological Office, "we don't yet know if our weather will become drier or wetter".

The fashion business is not so coy. One wet year is a marketing opportunity, two a potential goldmine. Add advances in fabric technology and the return to a glamorous formality that begs to be topped off with a tightly belted trenchcoat or a swirling swingcoat, and the rise of rainwear looks unstoppable.

This is long overdue. Most of us, of either sex, have lurking in the wardrobe a long shower-proof garment that has done functional duty for years whenever the weather looks inclement. As a classic it goes with everything and only needs replacing when it wears out, so rainwear has hardly been the most buoyant area of the market.

Now this is changing. Desirable raincoats featured in the spring collections of designers as diverse as Dolce e Gabbana and Dior, made of exotic fabrics such as plastic-coated organza and worn over little more than corsetry.

Coat makers, whose business has been affected by the winter-winter syndrome, have been quick to spot a new opening. Feminella, one of the UK's leading wool-coat producers, has added a rainwear range of simple updated classics in a proofed, man-made, silkily soft microfibre that drapes well.

Britain's largest rainwear maker, Four Seasons, has opted for a high fashion approach, from a belted trenchcoat in lightweight gingham nylon, through high-gloss PVC to a sporty, proofed cotton parka. Traditionalists such as Burberry and Aquascutum now include shorter styles, pastel shades and lighter, softer fabrics.

Having a raincoat as your only year-round outerwear defence is risky, as the recent late-March cold snap proved, although you might well get away with it in a long coat with a button-out lining such as Holland and Holland's rugged but sleek rubberised cotton mac with loden lining costing £425, or Windsmoor's more urban style in soft apricot microfibre with fleece at £199.

Many people still find the most useful raincoat is a restyled, high-tech version of that long, neutral classic, available across the range from traditional trenchcoats and fly-front styles at Burberry, costing about £400, to Marks and Spencer's plain khaki microfibre priced at £99.

For those prepared to accept rainwear's fashion potential, the length this year is short and the accent is on fun. Even a traditional Burberry trench becomes a mite frivolous when made in pale pink proofed, brushed cotton. Yet it has surprising versatility.

Inspired by fashion's 1960s obsession, it goes equally with a pale suit or dress-and-jacket combination for a smart spring event under dubious skies, or with a twinset and Capri pants for casual weekend wear. The same applies to a full-backed, short swingcoat such as those from Aquascutum (with optional belt) or Feminella.

The real difference between such coats and the 40-year-old originals is in fabrics. Traditionalists may still prefer the wet and wind-proof texture of rubberised cotton, but plenty of customers at Aquascutum, Burberry and Austin Reed now want the softer, more portable yet water-repellent effect that modern coatings can give to lightweight cotton.

But the greatest advances, producing fabrics interesting enough to inspire top designers to create rainwear, have been in man-made fibres. These are mainly highly technical refinements of well-known and not-so-well-loved synthetic materials. After a bad press in the natural fibre-mad 1980s, they prefer to be known by new and scientific names. Instead of nylon and PVC, we have polyamide and polyurethane - the stars of a brave new mid-1990s fashion world of shine, stretch and transparency.

Textures are vastly better than in the early man-made



Bronze belted coat in Spandex, polyester and cotton, £295, from Emporio Armani, Long Acre, London WC2; New Bond Street, W1; Manchester and Glasgow. Black crepe jacket, £442; skirt, £127, both by Pearce Florida, from Liberty, Regent Street, W1; Harvey Nichols, Knightsbridge, SW1; and Mango of Windsor. Earrings, £9.95 from Fenwick. Patent bag by Degree, £70, 0171-431-2756 for stockists.

fibres. Microfibres produce a soft, closely-woven finish that repels water, is usually "breathable" and feels almost like silk. Nylon can look and act tough while carrying a fine finish and delicate sheen.

The current status mac for function and form is Prada's minimalist, short belted nylon style, at about £350 in black or white for both sexes and already spawning cheaper lookalikes. Metallic finishes



Beige polyester microfibre long trenchcoat by Four Seasons, £159, from Fenwick, New Bond Street, London W1 and branches, and House of Fraser stores. Wool-mix phinstripe jacket, £395; skirt, £125, both from Aquascutum. Wide belt by Otto Glanz, £24.95, from Fenwick. Patent bag by Degree, £140, 0171-431 2756 for stockists. Snakeskin shoes to order from Gina, Sloane Street, SW1.

work well in nylon, to be worn any time in fashion's current love affair with shine, or as an evening coat for the more conventionally inclined. Emporio Armani's bronze style. Whistles' silvery trench (£180) and DKNY's double-breasted fitted gunmetal coat (£350) are good examples.

Polyurethane (plastic by any other name) is the real growth area as the slick polish of black patent transfers from accessories to trousers and - most obviously, because they are functional too - macs.

The best quality, as used by Chanel for an £800 boxy, short coat with tell-tale gilt buttons, feels like a cross between

tactile silk satin and fine paper.

But even more workaday varieties, such as that used for Walk's short belted coat (£99 at Fenwick) have a supple lightness unknown a few years ago. Colourful versions include Four Seasons' glossy macs in red, blue or green from £149, and Versus's metallic blue at £300.

If you want a raincoat with 1995's slightly hard-edged, shiny look but not necessarily a long-term wardrobe life, then this is the finish to go for. Polyurethane is waterproof (though the stitch-punctures mean it must be labelled "showerproof" unless it has

bonded seaming) but is not the warmest of fabrics.

It is fine for summer showers but the Met Office's conviction that our climate's variability will continue means you may need, come autumn, to consider investing in a coat - just

in time for the retro-inspired revival of the neat, knee-length, Princess-line tweed coat, a shape absent from fashion for so long that nobody already owns one. So once again, the fashion business does not miss a trick.

HERMÈS
PARIS



To discover the many ways to tie an Hermès scarf and to view our new Spring/Summer collection, visit our boutique in the Harrods Room of Luxury on Monday 10th or Tuesday 11th April from 10am to 6pm where scarf tying workshops will be taking place.

NBI
YOUR WILL...
can help so many elderly people who have given so much...
and are now in need of help themselves - with nursing home fees or convalescence and in many other ways. Please ask the NBI to show you how you can set up a legacy, a committed subscription, or please send a donation to:
The Secretary,
The National Beneficial Institution,
61 Rayway Road,
London W2 3JG.

Europe's Finest Cookers.
STOVES
ESTABLISHED 1920

OUTDOORS

Gardening/Robin Lane Fox

The lira is falling and suddenly it's spring

Why Impruneta's terracotta has been celebrated for centuries

The rosemary has been in dark blue flower; sunlight is falling on pure white magnolias; there is a particular vividness to yellow forsythia; the lira is falling magnificently and spring is yours for the stealing in the streets of Florence.

White anemones have run in self-sown carpets through the beds of the old Boboli gardens. There will soon be flowers on the yellow Banksian roses, softening the Pitti and the sadness of the great formal plan of the Palazzo which is nowadays managed in civic Italian style.

The seasonal crowds are already swarming in the colonnades of the Uffizi Gallery and the painted cells of the Dominican friars of San Marco. Few tourists walk north-eastwards for three minutes beyond the Convent to Florence's Botanic Garden, which is open on Monday and Friday mornings.

In spring it has its charms without general distinction. Some of its trees are excellent and one of its Cork Oaks is stupendous, waiting for one of Angelico's angels to run from the tourists and reappear. The path leads on to La Montagnola, Italian, I find, for a miniature hump on the model of my English college's Mound. White-flowered bulbous ipheions has seeded freely in the formal beds as they never do in mine. It is always a pleasure to see a mature Swamp Cypress flourish-

ing away from watery soil which, books still allege, that it needs. In the elegant greenhouse, I reviewed the sub-tropical plants, identified almost none and was then diverted by the terracotta pots. There is nothing mean about them, neither their thickness nor their use. The garden never uses one big terracotta where two would do, standing one on top of another upturned. London prices flashed through my mind along with the one word, Impruneta.

Ten miles from Florence, Impruneta's terracotta has been celebrated for centuries. From its main church, an image of the Virgin used to process into Florence at times of crisis or when the Medici were reshuffling their control. In the hills behind, there are the clay pits of modeller's dreams, leased nowadays to independent potters who make modern pots, flower pots and boxes for modern patios.

In my garden, I have two huge Imprunetas, large terracotta pots which were brought from Italy 40 years ago by a famous lady gardener. She later sold them to me, her tenant. Their floral swag has fallen away with age, but they bear Impruneta's imprimatur. For 20 years, I have imagined their birthplace: the pots in Florence's botanic garden sadden me, and I have just retracted the Virgin's steps to Impruneta's main square.

The town has manifest terracotta



Potty about terracotta: an Italian balcony

quality. There are rectangular terracotta boxes on terracotta balustrades, terracotta tiles and orange pots in otherwise charmless modern gardens.

There are huge terracotta pots in the cathedral's colonnade, of a size which would make Chelsea gardeners commit ceramic sin. Various *fattorie* advertise their stock. But the best road for gardeners runs right-handed from the square as they face the cathedral and curves upwards into the hills.

On the Via delle Fornaci, notable

mimosa scents the road; blue-jacketed workmen have been trimming the olive-branches and, at number 57, the Masini brothers have thrown hand-made terracotta for nearly 80 years.

The thickness of the pots renders them frost-proof, even in England. They can still cast a cherub or model a swag of flowers with a distant echo of a Raphael fresco. There are cheaper alternatives in Tuscany, but nothing comparable for quality and price. I coveted the biggest, decorated urns, more than a

metre wide and 1.25m each (about £350). The Masini issue no price-list, but they carry every shape and quote in their heads. For £30 you can buy a small pot or a handsome oblong box. Shapes and prices will suit most pockets, but not every car boot. Urns just under a metre wide can be had for less than £400.

Beneath a roof of terracotta tiling, the next batch of pots sit grey and sleek, awaiting the oven. Many now go off to Germany; a few find their way to Russell's garden centre in London's Earl's Court. But the

place to see them is in their own home yard, piled around their low headquarters through which the light falls obliquely on potters at work. Here, in the 1950s, someone had cast my two Imprunetas and, if only I could trust my memory, no doubt they would have cast the missing part of the swag. A rounded hemisphere at less than £60 would have been tempting, except on the aircraft back home. Tuscan visitors and pot-watchers can have it instead.

In the cathedral, the Virgin has

retired behind a dark curtain, yash-macked during Lent. I paid my respects to her rebuilt sanctuary, restored after bombing in 1944, and I decided that there was only one further reason for averting her eyes. Impruneta has the most wonderful pottery but, in spring, its gardeners do not know what to put in it. Only in modern Italy, would people think of filling it with leathery, pink begonia. When the Virgin comes out from behind her curtain, I cannot help wishing that Madonna Hiles might greet her instead.

Fishing/Tom Fort

The cycle of denial and indulgence

For persistent wetness and fishlessness I cannot recall a winter in England to match the one which, it is to be hoped devoutly, has now taken its leave.

I never thought that I would apply the old adage about having too much of a good thing to rain. And I would stick to the contention that too much is preferable to too little. But even my enthusiasm for lowering skies and gurgling gutters waned during the deluges that characterised the opening of the year.

As for fishing, there wasn't any. In the week after Christmas the river rose to within a foot or so of the top of its banks, and for two months and more it never receded. At frequent intervals it advanced over them.

Lakes appeared where fields should have been, and the concept of dry land was reduced to nothing more than a literary conceit as the whole countryside became a great quaking bog.

There are hardy souls who continue to fish during times of flood, but I am not among them. Stomping around in a swamp with water trickling down the back of my neck, trying to guess where on earth a fish may have taken refuge in the brown torrent, is not my idea of fun. So I did not go fishing, and so long did this barren period last that I

stopped thinking about going fishing; which is very bad indeed.

Then, one morning, the urge emerged from dormancy. The sun was shining benignly, rather than as a fitful gleam between downpours, and I realised that it had not rained properly for three days.

It was March 11, and it was the last day I could fish before the season ended on the 14th. I dug some worms, grabbed my colweebled, neglected rod, and hastened to the river.

The immediate environs were still extremely squelchy, and there were ducks where no ducks ought to have been. But the water "although high and hurrying" was no longer the colour of lentil soup. I had hopes; not great ones, for I had no more than a couple of hours at my disposal. But I thought I should get something, and it was grand to be out with sun warm on my back.

For a time I wandered here and there, looking for quiet holes to explore with my float

and worm. However, the weight of water and insistence of the current meant that even the quiet spots were not quiet enough. Eventually I came to a big eddy at the side of the weirpool, where I had caught a



good few pike in the past, and one very large chub which had somehow managed to engorge a 6in sprat.

So I sat on my stool beside the eddy, and pleased myself watching the crimson-tipped float bob past the trailing branches of the willow.

Then the crimson tip arrowed down, and a fat, sil-

ver, sunlit chub was pulled protesting to the bank. And he having been let go, and the float set on its way again, down it plunged in the same place, and another chub of good 5lb came to the net.

And then I glanced at my watch, and it was time to go. The moments had been so fleeting, but I felt no regret. I was simply glad to have been out, and reminded of what I had been missing, and of what would again be available to me in three months, when the coarse fishing season reopened.

By this roundabout route, I have arrived at my thesis. The close season "that sacred period of inaction which lasts from March 15 to June 15" is under assault. The National Rivers Authority has decreed that on lakes and ponds, fishing can continue all the year round, if the owner so wishes. Thus far rivers and canals are unaffected by the change, although there is strong pressure for the free-for-all to be extended to all waters.

The rationale behind the close season was that it enabled fish to spawn in peace. As it has now been established that different species all spawn at different times, and that the process is unaffected by the attentions of anglers, the argument in favour of deregulation is, in logical terms, unanswerable.

My argument against it is therefore based on nostalgia, sentiment, and a chronic distaste for unnecessary change. When I was a lad, I used to pass the three-month moratorium in an agony of impatience. The week or so before the off were spent in a frenzy of preparation. Rods were cleaned, reels oiled, worms dug, the tackle shop visited and revisited, the chosen spot made ready with loving care.

At last, the great day would dawn and, in the darkness across the land, beside the rivers, lakes and canals, the army of coarse anglers would cast forth their baits.

Usually it was raining, and usually we caught nothing. But that did not matter in the least. What mattered was the ritual had been observed. The longing, the hunger had been sharpened by that enforced abstinence; and thus was the time of fulfillment enhanced a thousandfold. It would, in my view, be a damned shame if that harmonious cycle of denial and indulgence were destroyed.

Ski touring/Ian Rodger

Head for the hills in the old style

One of the great oddities of downhill skiing is that most enthusiasts are packing away their equipment just as one of the most enjoyable parts of the season arrives.

This is the time for ski touring, when skiing becomes like mountain hiking. You climb a hill in the morning and have a picnic in the sun on the peak. But unlike hiking, you do not have to climb down again. You ski to the bottom in butter-smooth snow just before the spring sun turns it into soup, saving the rest of the day for lounging about.

Even when the weather is poor, the experience can be exciting, and the contrast with resort skiing could not be greater.

Instead of being whisked up a hill by a mechanical device, you plod up with furry straps on the bottom of your skis to prevent you from sliding backwards, sorting out whatever is on your mind or just being hypnotised by the gentle rhythm of your own footsteps.

Instead of crowds of pushy show-offs, you are surrounded by silence and perhaps an occasional hare or chamois.

When you do meet other ski tourers, they are invariably friendly and patient, delighted to know that you, too, are enjoying a bracing day in the mountains.

And when you turn your skis downhill, fear not. There are no style contests on these hills. Most tourers are rough-and-ready intermediate skiers, skidding around on their heels with their legs wide apart, but having a wonderful time. As with hiking, the point is to have an invigorating outing, not to show off your technique - or lack of it.

Touring is the way everyone skied before there were lifts. I remember as a child in the Canadian Rockies having to tie crude "skins", as they are called, to my skis and unlatch my boot-binding cables from the clips on the sides of the skis so I could lift my heels while climbing.

Today, the technology is more sophisticated. Skins come with a sticky backing and need only be pressed to the base of the ski.

Special touring bindings can be adjusted easily to let the heel rise freely while climbing and crampions can be attached to them for climbing over icy patches. (There is also an insert binding, called Secure Fix, that turns a normal alpine



ski binding into a touring one.)

It is not essential to wear special touring boots, but they have some advantages. They have a hinge at the ankle to make walking easier and deep walking-boot treads, which are a help when you are in places where you have to carry your skis. They tend to be lighter than normal ski boots, which is a significant consideration if you are going to be climbing for three or four hours.

As there is unlikely to be a restaurant along your route,

tourers use telescopic sticks, even though these are fiddly and often collapse at the wrong moment. The one justification for certain models is the ability to screw them together for use as a probe after an avalanche.

There are touring routes all over the Alps, of all degrees of difficulty and length. On fine Saturdays and Sundays, in May, those within easy reach of cities tend to look like city parks, complete with small children and dogs.

For over-achievers, there are the *hautes routes*, multi-day marathons on which the tourer carries everything with him and overnights in primitive mountain huts. The most popular of these, from Zermatt to Chamouix, or the other way round, can be bumper to bumper in the peak weeks. Ear and nose-plugs are vital for a peaceful night in the dormitories.

For someone trying touring for the first time, it is far better to go to an area with a week's worth of day tours that can be done from the comfort of the same hotel.

Among the areas that can provide this combination are

Bivio, in south-eastern Switzerland; Splügen, on the north side of the San Bernardino pass; the Oetz valley, near Innsbruck and Monte Leona, by the Simpol pass.

Obviously, a beginner should start with a professional guide or at the least an experienced tourer. Although touring is not technically difficult, there is one skill that has to be learned - changing traverse direction when climbing a steep face.

Guides are available in most of the above-mentioned areas. Adventure ski holiday companies such as Mountain Reas, in Andermatt, Switzerland, offer package guided touring weeks in various locations, and provide equipment for rental.

There are no style contests among tourers, most of whom are rough-and-ready skiers

you need a rucksack big enough to carry a picnic, lots to drink, plus miscellaneous equipment. As the morning progresses, you tend to shed layers of clothing. Ultimately, the skins are folded and stored in the rucksack as well. I use a 35-litre model for a day's outing.

Most tourers wear transmitters to help rescue teams in case of an avalanche, although the risk is usually low in the late spring. A collapsible shovel is also a good idea. I once saw a man trapped up to his waist in snow by a small avalanche. He was unhurt, but could not free himself because he could not dig down to release his bindings.

Fashion is just as important in touring as it is in hiking. In Switzerland lumberjack shirts and bright red socks are preferred these days and most

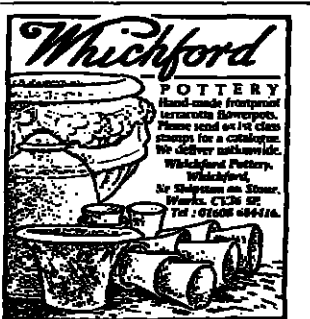
Vigo on the front line

Continued from page 1

Originally, because of the size of its fleet, Spain was to have waited out a 17-year transition period, but last year the EU agreed to cut it to 10. Lolra says it will not signify bigger quotas for Spanish catches. But the date is feared by UK fishermen since it means easier Spanish access to waters around the British Isles.

Spain's fleet these days is three times the size of the UK's by tonnage, and 30 per cent of the EU total. According to the UN, it is one of six nations - along with Japan, Russia, Poland, Korea and Taiwan - that carry out most of the world's high-seas fishing. If there is a war around, then Spain is likely to be in it.

The worry is that Canada's assertion of authority outside its territorial waters will set a precedent. Catches of sword-



fish off Brazil or tuna in the Indian Ocean could be in danger if other countries follow suit.

The Spanish recognise the problem: overcapacity, even after EU-financed fleet cuts, tough competition, depletion of stocks, difficulty in rebuilding them. The UN's Food and Agriculture Organisation reckons 70 per cent of world fish stocks are under pressure from over-fishing. But the fishermen, too, feel under pressure. They are running out of places to fish.

The question is: who does the sea belong to? And whose part of a sea does a fish belong to if its habitat lies across boundaries or if it wanders, as tuna do, from ocean to ocean?

The 200-mile limits which became standard in 1977 were a "historical mistake," says Alfonso Paz-Andrade, managing director of the frozen-fish multinational Pescanova. With 145 boats and operations in 18 countries, Pescanova ranks as the highest in the sector in Europe and possibly the world. The limit, he says, coincided roughly with continental shelves, where most of the known fish were. In the dark abysses beyond, it was thought there were no species of commercial value.

But this proved wrong.

Deeper fishing produced "masses of perfectly sellable fish". Ugly, big-eyed species, they are also vulnerable. The orange roughy, for instance, first known in New Zealand, takes about 30 years to reach sexual maturity. When quotas are imposed on these species, who will have first claim? Off the west of Scotland, Spanish and French boats are the only ones big enough to catch orange roughy and other newcomers such as grenadier and black scabbard at depths of up to a mile down.

This was the trouble with Greenland halibut. The Spanish adapted their trawlers with heavy winches and military detection equipment to trawl the depths, just outside Canada's limit. They started five years ago, after Namibian independence took away their hake-fishing grounds. They say the Canadians did not have the technology. Spanish scientists are investigating ways of fishing even deeper, at up to 2,000 metres.

Little is yet known about the Greenland halibut and its breeding patterns. The Spanish found a market for the frozen Greenland halibut in Japan, but the fish has started to be

sold on the home market. You will not find it on restaurant menus. But, says one market vendor in Madrid, "if you see a cheap sole fillet, that's what it is."

Spanish fishermen admit to having been reckless in the past. At the beginning of the century, the country's own fishing grounds were sufficient to sustain 50,000 boats, compared with 18,800 now. But they were overfished, most damagingly in the Mediterranean. Dynamiting of fish was already notorious in the 1920s. There is also the question of Spain's partiality for small fish. Baby squid and shrimp are still popular. Baby eels, or elvers, arriving on the northern coast from the spawning grounds of the Sargasso Sea, are a great delicacy, fetching 280 a kilo in the markets. However, Spain is not the only place where immature fish is sold. Some monkfish tails sold at London fishmongers would shame a Spanish stallholder.

The Spanish know their fish. They eat a lot - about 3lbs of fresh fish per head every month. Companies such as Pescanova work essentially for the home market. Spain buys much more fish from countries such as Britain, France and Ireland than it sells to them.

Imports, which have risen since EU entry, are more than 800,000 tonnes a year, compared to Spain's own 1.4m tonne catch.

The catch has not increased since 1970, after the growth that came with the introduction of freezer trawlers. Vigo was once the biggest centre for Atlantic cod-fishing using pairs of trawlers. But Spain's cod fleet has shrunk from 40 boats to 25. "They threw us out, too," says a veteran of the Newfoundland cod boats. "Well, they were their waters."

In the last four years, Spain has reduced the tonnage of its fleet by 18 per cent or 120,000 tonnes, the equivalent of the entire Danish fishing fleet, says Lolra. EU targets set for 1996 have already been met.

The Vigo-based long-distance freezer trawler fleet is down to 110 vessels, from 200 in 1981, the boats scrapped, sold or transferred to joint ventures in Latin American, African or other countries. More cuts are to come. Vigo trawler owners know that no possible deal with Canada would enable 95 trawlers to keep fishing year round off Newfoundland. Trawlermen say that only by fishing every day can they earn their pay of about £750 a month.

Maria Fernandez was waiting for her husband to return with the *Ksai*. "This is a very hard life we lead," she said.

1520 من المال

FOOD AND DRINK

Chile goes back to its roots

The vines may not all be behaving themselves but take advantage of the wines, writes Jancis Robinson

The trouble with Chile, "mused a long-serving wine exporter to me one evening in Santiago, "is that it does not have an image. Is it Hispanic? Is it American? Is it third world? Is it new world? I mean, London taxi drivers ask me if I have to carry a gun because of our drugs problem, for heaven's sake."

The one world in which Chile does have a very strong identity, however, is the wine world. Anyone who has learnt about wine has been taught that Chile is unique in that it has never been bothered by phylloxera, the vine-root-munching louse that threatened to wipe out the world's wine industry in the late 19th century and is now ravaging vineyards as distant as northern California, New Zealand and Greece.

Chilean vines, we learn, do not have to be grafted on to phylloxera-resistant rootstocks - unlike practically all those in Europe. They can be planted, much more cheaply, on their own roots straight into the soil. For years this has been Chilean wine's unique selling proposition.

I heard a tour guide at one of the country's few wineries to welcome visitors repeating religiously the virtues of being isolated by the desert to the north, the Antarctic to the south, the Pacific to the west and the Andes to the east.

Yet any Chilean expert in vine-growing admits that it is inconceivable that the louse has never, in Chile's four centuries of vine-growing, entered the country.

Some of these tiny pests must have crossed the Andes on plants in the last century (before strict quarantines were introduced). And more recently, everyone knows someone who has smuggled vine cuttings from a phylloxera zone into the country to combat Chile's shortage of many premium varieties. There must be something about Chile's particularly dry, sandy soils that is hostile to this dreaded vine pest.

Nowadays, however, any well-informed Chilean vine-grower admits that what the wine industry needs is rootstocks. They may not be needed to combat phylloxera, but specially-chosen, degenerating rootstocks would help enormously to combat the excessive leafiness of the vines grown in the fertile, often over-irrigated soils of Chile's Central Valley. Too much of the pure, Chilean sunlight is currently deflected into sprouting leaves rather than ripening grapes.

Then there are the nematodes, the soil pests that plague parts of Chile. Specially designed rootstocks could wage a good fight against them too.

The only problem is the time-consuming quarantine - and the extra costs of grafting vines rather than sticking them straight into the soil. The viticulturists working for large



companies will have to convince their bosses that the costs and delay are worthwhile.

But all this is fine-tuning. Chile has some great raw materials: dependable sunshine, almost unlimited water for irrigation, the more dubious asset of cheap labour, and vast tracts of the vine varieties the

world wants to buy. For decades this meant Cabernet Sauvignon but now extends to large quantities of Chardonnay, a much higher proportion of Sauvignon Blanc (as opposed to the Sauvignon Vert that dominated plantings until recently), increasing areas of Merlot, Pinot Noir and other desirables, and masses of undervalued Semillon. (Although look out this summer for Canepa's oak-aged 1994 at £3.99 from Victoria Wine and very inexpensive half-bottles of Carmen's delicious sweet Semillon from Oddbins.)

For the moment, while such niceties as drip-irrigation and rootstocks are yet to be factored into selling prices, Chilean wine is relatively inexpensive. Oddbins has the most comprehensive selection of bargains by far, but all in the list below are worthwhile (1994 was an excellent vintage).

WHITES: San Pedro Sauvignon Blanc 1994, £3.49, Morrisons; £3.55, Robersons of London W8; (£3.99 Marks and Spencer's own label). Made by the itinerant Frenchman Jacques Lurton, who has brought more than a suggestion of Ch. Bonnet of Entre-Deux-Mers to Curico. Good value even at £3.89.

Santa Monica Riesling 1994, £4.99, Victoria Wine. Astonishingly successful Riesling from an estate winery in Rapel. Lively, aromatic aperitif.

Villard Sauvignon Blanc 1994, £4.99, Thresher; Viva Vino of Leicester. Thierry Villard worked for years in Australia before setting up shop in Chile, notably with vineyards in Casablanca, the hot - or rather cool - region of the moment. Very racy.

Carmen Reserve Chardonnay

1994, £4.99, Oddbins. Glossy and sophisticated. Very good "mouth feel", as we say nowadays.

Marques de Casa Concha Chardonnay 1994, £5.99, Oddbins (and eventually Victoria Wine). Good quality French oak influence in a scrummy, lemony liquid (although look out for Valdivieso's 1994 Reserve Chardonnay).

REDS: Salusbury's Cabernet Merlot, £3.39, Portuguese Australian Peter Bright had a hand in this soft, fruity offering.

La Fortuna Malbec 1994, £4.59, Victoria Wine. Juicy, inky carmine stuff, deliberately made almost like a white wine to capture the fruit, from a family winery's old vines. Enough to give Malbec, the Cahors vine, a good name.

Cono Sur Pinot Noir 1993, £1.59, Safeway. A juicy old favourite. Oddbins has the 1994.

Errazuriz Merlot 1994, £4.99, Oddbins. Pure pleasure or, to put it another way: gobs of fruit.

Montes Alpha Cabernet Sauvignon Cabernet 1990, £7.99, Oddbins and bigger branches of Tesco. One of the most successful top-of-the-range bottlings.

Inspiration at the heart of organisation

A restaurant group can only benefit when its chefs meet to share ideas. Nicholas Lander joined them

Even before "quality management" became the pre-occupation of the 1990s' manager it had been practised by chefs and restaurateurs.

At its most basic, and perhaps most effective, the head chef walks the kitchens smelling and tasting the sauces shortly before they are to be served. At the other extreme are the 15,000 branches of McDonald's that serve hamburgers to the same standard in 79 countries around the world. A triumph of organisation over inspiration.

In between is a growing number of restaurant groups serving different types of food in often disparate locations. Many of these are now publicly quoted companies - Groupe Chez Gerard, the Pelican Group and Pizza Express - so that the delicate balance of pleasing the customer and maintaining margins must be added to the discipline of satisfying shareholders.

Such companies adopt strong management controls to ensure quality. These include frequent site visits from head-office personnel, centralised menu planning and purchasing, comment cards, mystery diner programmes and advanced cash management

systems. But this approach, however professional, is no good if the food fails to tempt. So, one evening last week, when the last customer had left Heal's Café in the West End of London, I found myself in the company of a dozen head chefs tasting more than 20 cakes and tarts.

The chefs work for Digby Trout, whose culinary empire incorporates a turnover of £8.5m and 40 chefs working in 12 restaurants, eight of which are in London and five of which are waiter service and seven self-service. Trout runs restaurants in locations as diverse as the Barbican, London Zoo, the Science and Imperial War Museums, Heal's, Nottingham Castle, the Wedgwood Visitor Centre near Stoke and the Assembly Rooms in York.

"I realised some time ago," Trout explained, "that we

needed to exchange more than pieces of paper. If we're continually to be improving what we offer our customers, then it is my job to bring our chefs together every six weeks or so and get them to exchange ideas, recipes and costings.

"We started with quiches and we've put chocolate brownies, lamb stews, breads, and many other dishes to the test. After our quiche tasting, for instance, we all realised that the deeper they are, the better they taste. But it was after the mayonnaise-tasting - more punishment than pleasure - that I decided to hold the tasting on a theme rather than a particular dish. So tonight we are tasting cakes and tarts."

The chefs were already peering to see what had been made. They had given up their free time to take part in this open competition and, as the first tart was sliced, its chef explained the recipe, its origins, costings and how it sells.

A trip to the Alps had provided the inspiration for a delicious pear frangipane tart, on sale at Heal's Café, but soon to be found on Trout's other restaurant menus as a result of the tasting.

"Today, price is terribly important," Trout explained, "not just the difference



Fingers in the pie: chefs from Digby Trout's culinary empire examine each others' work at one of their regular meetings to compare notes and recipes

between sites in and out of London but also within London itself. Our most price-sensitive restaurant is at the Imperial War Museum because many of the visitors are grandparents taking their grandchildren.

"The first thing they look at is the price of the cakes. That has to be right and so does the taste."

"But cakes and tarts are very difficult to make on a large scale. You must follow the recipe

scrupulously, and yet you cannot simply multiply the ingredients to make a final number. And all the restaurants have different temperamental ovens, some convection, others gas or electric."

The first chef felt that he should have baked his morello cherry clafoutis longer (a 10-inch tart making 12 portions costing 35p each and selling for £1.25, giving a 28 per cent food cost). There was great praise for the London Zoo chef's Ital-

ian walnut tart (an 8-inch cake, giving 10 portions costing 32p each and selling at £1.75, giving a 35 per cent food cost). There was also unanimous approval for a caramelised upside-down pear tart made by the Nottingham Castle chef.

He had bought the red-skin pears at Asda and produced a stunning-looking tart (particularly attractive because he had kept the skins on) for a total of £2.18, a cost of 19p a portion. For this he charged £1.20.

The chefs left the tasting with a thick folder of recipes and costings that Trout was confident would give them inspiration far more effectively than memos from head office or menus from a central kitchen.

I left with an even higher regard for pastry chefs and instructions to make a tangy lemon fudge tart from Marina Cobra, the Brazilian chef at the Science Museum.

Here is her recipe:

MARINA COBRA'S LEMON FUDGE TART
Pastry: 450g plain flour, 200g butter, 100g sugar. Filling: zest of 2 lemons and juice of 3 lemons, 250g caster sugar, 450ml double cream, 50g melted butter, 4 eggs, whisked.
Method: Bake the pastry blind. Mix the filling, adding to the melted butter the zest and juice of the lemons, sugar, the eggs and the cream. Pour into the pastry case and bake for 30 minutes at 180°C (350°F).

Cookery / Philippa Davenport

Zest for spring

Lemon gives grace and flavour to dishes for Eastertide

The lemon tree, like the bitter orange, will not fruit in British gardens. Yet we use these citrus fruits so much that we have come to regard them almost as our own. The day bodes ill if marmalade is absent from the breakfast table; no cook feels safe without lemons in the kitchen.

The joy of the lemon lies in its acid bite and zesty fragrance, qualities that have earned it the nickname Dr Seasoning. The lemon is indeed one of nature's improvers, an unerring adjuster of flavours, often far more effective than salt, sugar, pepper or alcohol in providing the precise and enlivening finishing touch.

The Rev Sidney Smith, that amiable gastronome and wit, when banished in 1809 to a parish in the wilds of Yorkshire described himself despairingly as "12 miles from the nearest lemon".

Provincial cooks without easy access to the civilising lemon relied instead on sorrel. Even now, little green, sorrel leaves with their invigorating lemony sharpness are welcomed as heralds of spring in rural areas.

Sorrel is brilliant in savoury dishes. It makes excellent soups; and it is delicious when melted to a buttery khaki puddle - to use as a sauce for plainly cooked chicken or fish, to beat into potato purée, or to fashion into a nest for poached or soft-boiled eggs, piled on generous rounds of not-too-neat-and-nancy fried bread.

Undoubtedly sorrel was once also used in Britain in sweet

tarts and custards - just as spinach and chard are still used in some Mediterranean countries. But for most of our puddings only the lemon itself will do. And the best variety by far that I have tasted is the shusato or Amalfi lemon.

Supremely aromatic, agreeably acid but in no way bitter, this large and handsome lemon was imported in small quantities between the wars when the Italian presence at Covent Garden was considerable. Now the Amalfi lemon is back again, this time under the auspices of Safeway - with a little enthusiastic prompting from yours truly. Production is limited and stockists are restricted to just a few main stores. Look out for it; ask for it. No other lemon is better.

A light, bright lemon dessert seems to me far more appropriate than a chocolate confection for celebrating spring. Syllabubs, classic lemon soufflés (hot or cold), bite-size light-as-air pastry or meringue shells filled with lemon curd make pretty party pieces for spring evenings. But on Easter Sunday something more Sunday-lunchish may be greeted with greater enthusiasm.

If the weather is bitter, Sussex Pond Pudding will cause rejoicing, in the main, though,

most people today want proper puddings but something that will not lie reproachfully on the stomach all afternoon.

If the weather is set fair, that old nursery favourite Lemon Honeycomb Mould might make a fine choice. Ever popular for cooler days is Lemon Surprise Pudding, with its pool of warm lemon custard under a dome of lemon sponge.

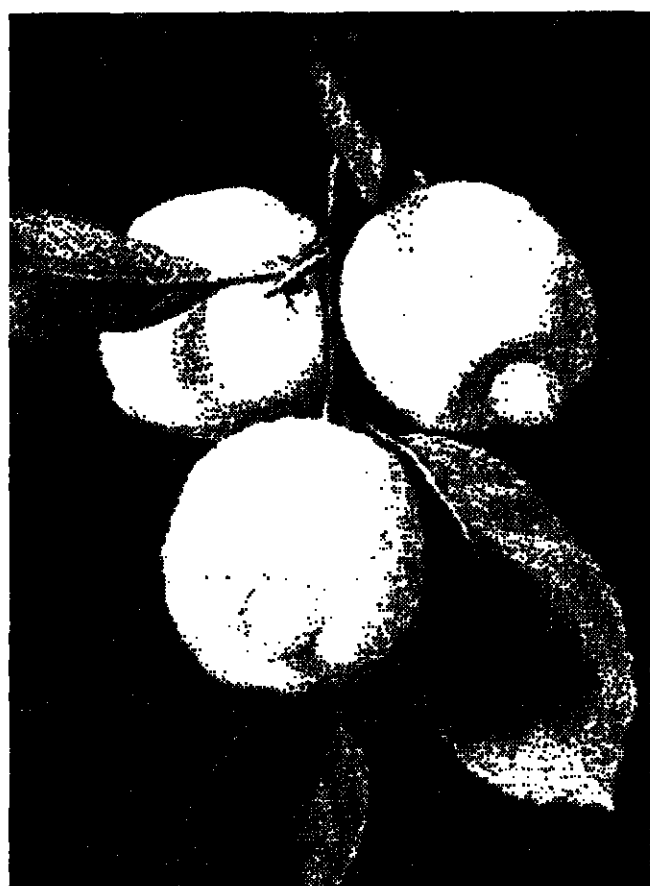
Here are two other suggestions, lesser known but no less appealing.

BELVOIR LEMON PUDDING
(serves 4)
This is a remarkably light and elegant steamed pudding with lovely lemon-curd flavour. It comes from Constance Spry, with adaptations. I find longer cooking, more breadcrumbs and less lemon juice than she prescribes are necessary to release it from the mould satisfactorily. Curiously - and happily - this does not seem to detract from its lemoniness. Maybe the lemons she used were much smaller and less juicy than we can buy now.

Cream 1/4lb softened butter in a bowl that has been rinsed out with boiling water. Beat in 1/2lb vanilla sugar and the finely grated zest of two lemons. When the mixture is light and fluffy, work in the yolks of 2 size-3 eggs.

Next beat in 4/4oz fine fresh breadcrumbs mixed with 1/2 teaspoon baking powder. Then beat in 2-2 1/2 fl oz lemon juice or as needed. Stop before the mixture becomes wet. Or if you add too much lemon juice, beat in extra crumbs to mop up the liquid.

Turn the mixture into a well-buttered 1 1/4pt pudding basin. Cover with buttered and



Detail from Still Life with Game Fowl, Fruit and Vegetables by Juan Sánchez Cotán

425°F (200-220°C) gas mark 6-7 for 3 minutes or so until the meringue is hot, just set and swirled with streaks of gold.

LANCASTRIAN LEMON CURD TART

If you are cooking for larger numbers and favour puddings that can be completely prepared ahead, this recipe may suit you better. It is based on a pie I enjoyed tucking into near Morecombe in the late 1960s after an unrestrained feast of little brown shrimps and hot-pot of lamb.

Make 8-8oz shortcrust pastry, preferably using a mixture of white and wholemeal flour. Use the pastry to line a shallow 10in fluted flan tin with removable base.

Blind bake it completely and let the pastry case become cold. Then spread the base with 8-10oz lemon curd - home-made not shop bought is essential for the sake of good texture and agreeably sharp flavour.

Beat 1/2lb unsalted butter and barely melt it in a small saucepan over low heat. Away from the stove, stir in 1/2lb caster or vanilla sugar, then 1/2lb ground almonds.

Home-ground almonds are a great improvement on ready-ground; and flaked almonds are easiest to grind. Pulverise them in batches using the mini inner bowl of a food processor, or, preferably, an electric spice or coffee mill.

Finally, beat in two size-3 eggs mixed with the finely grated zest of a lemon and 2 teaspoons of lemon juice. Pour the almondly amalgam carefully over the lemon curd. Slip the flan tin on to a pre-heated baking tray and bake at 400°F (200°C) gas mark 6 for 35 minutes until the almond topping is puffed up, golden and set.

Cool for a minimum of 45 minutes before serving so the tart is no more than tepid when you eat it. Or serve the pudding cold. When, arguably, it is even better.

Perfect for a Chile reception?

This wine is a delicious blend of two classic grape varieties, the Chardonnay and Semillon. It comes from the Curico Valley in central Chile and is made in the 'New World' style with a cold fermentation to bring out the peach and apricot flavours. It is just one of the wines that explain why Sainsbury's became Supermarket Wine Merchant of the Year. £3.69. Available at most stores.

SAINSBURY'S

CLARETS AND VINTAGE PORTS WANTED

We will pay auction hammer prices. Payment immediate.

Please telephone: 01753 367 1945 or Fax 01753 284 2785

WILKINSON VINTNERS LIMITED

Fine Wine Merchants

Constitution Rd London NW5 2LN

WINELOVERS

Who wish to extend their knowledge

JOIN MAGNUM'S FINE WINE CLUB

We also specialise in

EN PRIMEUR & FINE WINES

MAGNUM FINE WINES Pk.

43 Pall Mall SW1Y 5JG

Tel: 0171 839 5732

pleated greaseproof paper and foil. Tie down and steam for 1 hour, topping up the pan with boiling water as necessary.

Turn the steamed pudding on to a hot serving dish. Either serve it as it is with pouring cream; or - and this is more unusual and guaranteed to appeal to children and anyone else with a sweet tooth - finish

BOOKS

Bring prostitutes into the light

A.C. Grayling reviews two books which argue for common sense, hygiene, safety and legalised brothels

THE COMFORT OF SIN
by Richard Goodall

Renaissance Books £19.99, 301 pages

LADIES OF THE KASBAH
by Dave Mullins

Little, Brown £14.99, 216 pages

One of the more egregiously stupid acts of any western government in the 20th century was the Eighteenth Amendment to the Constitution of the United States, passed in 1920. It banned the manufacture, transport, sale and consumption of alcohol throughout the US.

Prohibition remained in force for 13 years, and its chief effect was to promote organised crime on an enormous scale, reducing many cities to anarchy with corruption-riddled police forces allowing murder, open gang warfare, smuggling, bribery and blackmail to flourish like a plague of boils. Far from extrajudicial alcohol use, it made it more enticing.

The consequences of the puritanical madness that created Prohibition should have taught us all some profound lessons. But alas, human

kind seems too dimwitted to grasp them. Prohibition continues in other disguises: principally, as criminalisation of drugs, pornography and prostitution.

This is an infallible way not only of making such things flourish, but in the sleaziest, nastiest, ugliest manner: in dark corners, controlled by violent thugs. Drugs and pornography constitute another story, many would be surprised at how marginal and unimportant both become when legalised, as the experience of our more enlightened European partners shows. The two books here under review concentrate on the third question - prosti-

tution - each arguing for the same conclusion: that prostitution, and its particular brothels, should be completely legalised.

Although the conclusion reached by both books is plain common sense, their respective routes to it are very different. Richard Goodall, in spite of coming across as a curiously old-fashioned lawyer with some extremely antiquated views about women and life in general, marshals a strong case for a sane approach to sexuality and prostitution. He considers the evidence from a number of countries, weighs it in systematic, forensic style, and draws the sensible inferences. In

essence he sees prostitution as hygiene, a necessary resource which would be far better to have available in clean and healthy circumstances than in its present disagreeable forms. He applauds, as any reflective person must, the

plain good sense of Edinburgh in allowing prostitution to take itself off the streets into the safer and more sanitary convenience of saunas. That, he cogently argues, is an example the rest of the kingdom would do well to follow.

Dave Mullins is an Irish journalist. His book tells the tale of a famous Dublin brothel, the Kasbah, which flourished in the 1980s until the animus of one of its clients prompted a police raid and subsequent court case, whereupon it was closed. Most of the girls who worked there are now back on the streets, in circumstances more dangerous and less healthy than when

they had the companionship and mutual support of their Kasbah days.

Mullins's chief aim is to put the case for legalised brothels, and to complain - with perfect justice - that whereas it was the girls who suffered legal persecution, their clients, many of them (according to Mullins and his ex-Kasbah interviewees) leading figures in the political, commercial, judicial and ecclesiastical life of Dublin, escaped unscathed. He names no names, but goes into prurient detail concerning what these luminaries - a familiar list, complete with judges in fishnet stockings

and cabinet ministers in search of a whipping - purchased at the Kasbah.

Goodall's conservative instincts and Mullins's tabloid relish at human frailty obtrude upon the arguments they offer, but the points they make are good ones. Prostitution serves many needs and performs a useful social function.

People in the sex industry are surely entitled to work in safety and good conditions. The pimp-run, cold, inner-city streets where used condoms litter the gutters among heroin needles, constitute an appalling daily reminder that ours is a society which cannot face up to simple truths and do the tolerant, sensible thing in response.

Who among our legislators will have the courage to answer these calls of reason, and do something about it?

Cultural divide writ large

Iain Finlayson on a 'special relationship'

In view of current anxious appraisals of the political "special relationship" between the UK and the US, Malcolm Bradbury's overview of the literary and cultural transatlantic relationship is timely. But it would always be timely - the bonds of a common language are constantly subverted by divergent idioms and attitudes, and there is always occasion for examining the balance of the literary and cultural trade of two centuries.

There have been previous studies, but Bradbury's book is the most magisterial and comprehensive to date. It is rich and racy, brilliantly organised to illuminate contrasts, and emphasise continuities.

Bradbury has an enviable knack for surfing the zeitgeist. From the high ground of the New World of post-modernism, he surveys the Old World of modernism and post-modernism, and makes us that the cultural landscape can be definitively mapped.

DANGEROUS PILGRIMAGES:
MYTHOLOGIES & THE NOVELby Malcolm Bradbury
Secker & Warburg £30, 515 pages

He usefully points up the essential difference: American writers take themselves and their literary culture seriously, whereas the British, from Dickens to Waugh, have always found Americans irresistibly comic. At some deep level of the national British cultural consciousness, the very seriousness of Americans and their culture (sometimes diagnosed as a lack of irony) offends the British who, perhaps because dandyism is a significant element in our prose (Wilde, P. G. Wodehouse and their like), are irritated as a whimsical Oxbridge don might be pained by a pedantic Rhodes scholar.

Bradbury also challenges the Anglo-centric assumption that assumes a common language implies a common cultural perception. America's special literary relationship, he says, is not so much with the British as with the French. The high seriousness of the French has more in common with the deep seriousness of the Americans than the latter genius of the British.

"In France, more than in most countries, American myths and dreams had a certain abstract essence, an element of symbolic fantasy that preceded any actual arrival." Bradbury asserts that Chateaubriand's *Atala*, with its companion piece, *René*, constitutes the first American novel. Crevecoeur's *Letters from an American Farmer*, first published in Britain in 1783, in fact described a French experience of the New World that Coleridge,

with his fantasies of a Pantisocracy on the Susquehanna, only dreamed about.

"For the French, the United States frequently represented a futuristic fantasy, for the British... they had generally represented a comedy, a perfect example of extremity exotically developed under hothouse conditions." Most expatriate American writers and artists, dissatisfied with conditions at home, preferred to settle in Paris rather than London, although Ezra Pound described the European experience as based upon that "great double city" of London and Paris.

Interestingly and acutely, Bradbury quotes Henry James who, in 1871, complained that "It's a complex fate, being an American, and one of the responsibilities it entails is fighting against a superstitious valuation of Europe... no European is obliged to deal in the least with America." Anyone not English - the Scots, the Welsh, the Irish, particularly - will understand this dilemma.

It was not until the American Civil War - the event, Bradbury suggests, that gave America its Jungian shadow-side - that its literature and culture achieved a true maturity and its own identity.

Americans, well-received and taken seriously in Paris as creative writers and artists, felt underrated in London where, like the great American critic Edmund Wilson, they perceived the English cultural establishment as "snobbish, condescending, and unpleasantly obsessed with their chief national sport: class consciousness". Allowing for an understandable touchiness, Wilson was pretty well snubbed by Evelyn Waugh - though Cyril Connolly, personally and through his magazine *Horizon*, was more emollient and Americanophile.

Generally, however, it was the English who regarded Americans *de haut en bas*, and it is interesting to read the article in *The New Yorker* of March 6 1995 which suggests that Martin Amis has "become a focus of hostility precisely because he had crossed over to the other side and associated too much with Americans". There is, says the article, a "developing fit of anti-Americanism" in the British press, and Amis has been identified as the displacement figure upon whom odium can be heaped.

This is but the latest gleam of the phenomenon which Bradbury defines as the transatlantic refraction. In the end, Bradbury suggests that the political goal of a unified Europe is a reflection of American culture's perception of Europe not as a collection of individual nation states but as a collective idea of the Old World. His book is a welcome jolt to the Anglo-centricity of English literature.



Next week marks the 50th anniversary of the liberation of Belsen and coincides with the publication of "In the Camps" (Norton £25, 111 pages), Erich Hartmann's haunting photographic study of 22 Nazi concentration camps as they are today: empty, silent reminders of the horrors of the past

Dostoevsky's fruitful pact with the devil

In 1865 Dostoevsky, aged 44, was a starving, broke widower living in fear of the debtor's prison, denied any meals at his boarding house, and compulsively gambling on the roulette table the few modest loans with which his friends tried to help him.

In desperation, he signed a contract for 3,000 roubles with an unscrupulous publisher called Stellovsky, whose penalty clause, should Dostoevsky fail to deliver a novel in a year, was that Stellovsky gained the rights to all his works, published and unpublished, for the next nine years, thus depriving the writer of his only source of income.

It is with this typically Dostoevskian pact with the devil that volume four of Professor Joseph Frank's masterly biography opens. *Dostoevsky: The Miraculous Years, 1865-1871*, the penultimate volume in the great biographical endeavour which Frank began in the 1950s, is the most significant and exciting in the series. In six harrowing, frenzied years, from 1865-71, Dostoevsky produced almost all the work which made his name: *Crime and Punishment*, *The Idiot*, *The Devils* and *The Gambler*. In this time he cast about for a new wife, then remarried, became destitute, went into exile, and returned a philosopher-prophet

whose every word on Russian politics was awaited with awe.

"Anyone who seeks a conventional biography will be sorely disappointed," Frank wrote in volume one. "I do not go from the life to the work, rather the other way round. My purpose is to interpret Dostoevsky's art." The background to that art, in its ghastly moral intensity and fanatical idealism so alien to the English tradition, is what Frank brings glowingly to life. Fixing by turns on Dostoevsky's shambolic personal life and on the social and cultural movements of the 1860s, he paints at once a panorama of Russian history and an intimate picture of the development of a brilliant, tortured mind.

With a month to go before his deadline expired in 1866 and not a word on the page, Dostoevsky confessed the details of his perilous contract to a friend. A young female stenographer was found whose calm efficiency acted like a tranquilliser on the author. Never having written in this way before, he dictated *The Gambler* to her in three weeks, had the work banned and deposited at a lawyer's office with two hours to spare, and liked the new method of composition so much that he employed her to help finish *Crime and Punishment*. Within a few

months they were married: she was 21, he was 45.

Crime and Punishment was a blockbuster success which hit the public mood. A few days before it appeared, the newspapers were full of a nihilist student who had committed a murder uncanonically similar to Raskolnikov's in the novel, and the dangers of the new nihilistic philosophy was on everyone's lips. Dostoevsky, who liked to compare his own "fantastic realism" with the

DOSTOEVSKY: THE MIRACULOUS YEARS 1865-1871
by Joseph Frank
Robson Books £27.95, 532 pages

"gentry-landowner literature" of his rivals Tolstoy and Turgenev, was thrilled, though the book's popularity barely helped his finances, as he had sold the serial rights far too cheaply in his hour of need. Fleeing their creditors, he and his wife Anna went to live in Germany.

Anna was gentle and sympathetic, and she needed to be. Her husband's working hours were 10pm to 6am. He slept in the morning, read newspapers in a café in the afternoon, gambled in the evening, and had frequent epileptic fits.

She seemed to believe that her faith was to nurture genius. She pawned her jewels and her coat to fund Dostoevsky's roulette habit, soothed him during his rages, and provided the emotional peace of mind he needed to lose himself in his turbulent and agonised masterpieces.

As Frank says, for psychological mastery of acute moral conflict, *Crime and Punishment* "has no equal this side of Macbeth". He traces his roots back to Dostoevsky's time as a political prisoner in Siberia; all Dostoevsky's work is haunted by his trial, when he was taken out for a mock execution and believed for 20 minutes that he was about to be shot.

In *The Devils*, Dostoevsky's vision of nihilism as the looming spectre of moral-social disintegration, an alien European import infecting the Russian psyche, is dramatised into a terrifying, contemporary morality play. Frank follows the book's battle with the censor, elucidates its philosophical context, but also grounds the black character Stavrogin, his crimes and his suicide, in an incident from Dostoevsky's childhood, when a nine-year-old playmate, daughter of the coachman at his father's hospital, was raped and subsequently died.

Frank produces new evidence,

from a recent memoir, for Dostoevsky's pathological obsession with child violation - a scene in most of his books. "To take away faith in the beauty of love," that is the most terrible crime... All my life, Dostoevsky once tremblingly told a spellbound party at dinner, "this memory has haunted me as the most frightful crime, the most terrible sin, for which there is not, and cannot be, any forgiveness, and I punished Stavrogin in *The Devils* with this very same terrible crime."

Robert Louis Stevenson called *Crime and Punishment* "the greatest book I have read in 10 years". Henry James could not finish it: "All I can say is, it nearly finished me. It was like having an illness." Reading Frank's account of Dostoevsky's inner life is sometimes as chilling and hallucinatory as reading Dostoevsky; it is also exhilarating and endlessly fascinating.

Most authors find the biographer they deserve. Frank is morally unflinching, serious, ample, unbiased, determined to get to the truth at the cost of the sensational or the easy solution. *Dostoevsky: The Miraculous Years*, joins the first three volumes of this biography as a work of rare artistry.

Jackie Wullschlaeger

Thrillers / J.D.F. Jones

More mischief in Westminster

The infinite variety of the thriller, that peculiar sub-branch of fiction, has been illustrated again this season. Here are two contrasting examples, perhaps for Easter reading.

The Final Cut (HarperCollins £14.99, 378 pages) is the third and final instalment of Michael Dobbs's mischievous and horribly convincing fiction of life at Westminster. Francis Urquhart, immortalised in Ian Richardson's TV portrayal (and *The Final Cut* will be coming to your screen later this year), is determined to become the longest-running prime minister of modern times. He is as unscrupulous a villain as ever - or no, perhaps he has softened.

He hangs on to power, reluctant

to retire into nothingness, but it is patently the end of an era; he is feeling his age, his prostate is playing up, he no longer polishes off *The Times* crossword at breakfast, he begins to realise "the gnawing dread that F.U. the Politician had been constructed on the ruins of F.U. the Man..."

"F.U.", as he is rather surprisingly addressed by his cabinet colleagues, decides to exploit the communal rift in Cyprus, where he has

brokered a settlement between Greeks and Turks, in order to pitch for a dangerous electoral victory - dangerous because, as a second lieutenant in Cyprus in 1966, he was personally involved in an episode which must not be resurrected.

Stir into that, in no particular order: a scoundrel Greek Orthodox bishop; the discovery of offshore oil; the kidnapping of the British High Commissioner; a statue of the Blessed Margaret at the back of

Number 10; a "youthful and ineffectual Leader of the Opposition who had a tendency to appear as a schoolboy attempting to be gratuitously rude to his long-suffering headmaster"; and a pro-European, ex-Etonian foreign secretary with an undiplomatic interest in Cyprus ("until he had met Maria he hadn't been quite sure where his loins were, now they seemed to be everywhere..."). It is fine fun, though utterly pre-

posterous. And it is surely extraordinary that the deputy chairman of the Conservative party, even while wearing another hat as novelist, should demonstrate so extremely cynical a view of the political process.

Maurice Gee's *Crime Story* (Faber, £14.99, 272 pages) is in extreme contrast and is not in fact a thriller except insofar as its subjects are murder and fraud. Gee is a fine and

respected award-winning novelist in New Zealand and the Antipodesan country he describes is a far cry from Bernard Levin's recent paeans in *The Times*. The central character is a petty thief, Rosser, who, disturbed at his trade in an affluent district of Wellington, injures a woman and turns her into a paraplegic.

The woman is Scandinavian, an outsider, and her New Zealand family - her husband, his parents and

brother and her own children - respond to the tragedy in different ways. The father-in-law, a rich, self-made businessman based in Auckland, is a central figure.

The quality of this novel lies in its portrayal of the tensions that can exist inside apparently normal families: parents are disappointed in their children, for example, and the children resent it but are helpless to change.

And there can be redemption: here, for instance, we have a true and moving picture of a woman discovering the scale of her love for her daughter-in-law. Gee is more interested in these undramatic lives than in his criminal murderer; Rosser's eventual fate is deliberately understated.



LINDA DAVIES

In the City, risk is a way of life.
And Sarah Jensen is about to risk hers...

NEST of VIPERS

'A TAUT
SEXY
THRILLER'
EVENING STANDARD
OUT NOW IN
ORION PAPERBACKS

سكرا من الاصل

BOOKS

Eyewitness on history

An entertaining fresh look at the insipid 1950s

With understandable indifference to the arithmetic of time, we are apt to think of the 1950s as a tawdryly embarrassing, insipid, monochrome interval between the war and the 1960s. Its back broken by the shame of Suez, its most memorable image the laughable Teddy Boy.

But for Peter Vansittart, who was vividly there, the 1950s were more significant and colourful. In this memoir of the decade he marshals before us a gallery of characters and events: great survivors from the pre-war period, new stars rising, theatre, politics, existentialism, debates about education and art, the invention of the teenager - all depicted with wry, needle-sharp perceptiveness.

Vansittart is - I choose my words - one of the best living writers of English. His style is laconic, scrupulous, polished; each sentence matters, every choice of expression is weighed. Take for example his characterisation of the Bergman films for which the 1950s queued, "with their unfamiliar landscapes in calm static summers, menacing autumns, hangman's winters: the remote villages and manors,

uneasy towns, taut relationships mingling despair and eroticism, the subtle eyes and trim nakedness, smouldering pasts kindling manic obsessions". Vansittart gives equally telling portraits of dozens of the greater and lesser figures of the decade, and economically relates its history. He knew so many of the *dramatis personae*, and was such an alert observer of the principal events that he reads like an eyewitness. And yet he is persistently self-deprecating, calling himself a small-fry hanger-on and relishing anecdotes against himself: "I once spoke at more than necessary length about Cary Grant to a lady of impressive features and stylish clothes. When I paused, she said serenely, 'Some of what you say may, of course, be true. On the other hand, I was once married to Cary Grant, and...'"

The 1950s turn out to be immensely entertaining. Here is the poet Roy Campbell creeping up on Winston Churchill somewhere on the Riviera, and pinching his bottom. (And there - unrelatedly - is Churchill telling Somerset Maugham that he had slept with Ivor Novello to see what homosexuality is like.) There too is Freddie Ayer looking through indexes in a bookshop for references to himself, and - elsewhere - cheerfully remark-

ing that everything he wrote "in Language Truth and Logic is wrong". Evelyn Waugh, Elias Canetti, Stephen Spender, Olivia Manning, V.S. Pritchett - the list is endless - appear in cameos of Hilliard brilliance. Vansittart is never once snide or ungenuous about anyone, but with clever tact tells you what he thinks. "Kingsley Amis designated Dylan Thomas's poetry," Vansittart writes, "the most convincing criticism is demonstration, not assertion: Dylan Thomas and Kingsley Amis wrote poems. Let them be compared."

Vansittart remembers the Fifties, at least until Suez, as a more optimistic time than we now think it. The Attlee reforms, the Festival of Britain, the Coronation, the fresh, light architecture of new schools and indeed whole new towns, the narrowing of income differentials, the hopes reposed in science, all conspired to make the future seem rosy. But although the mood after Suez was not exactly bleak, something had changed. Perhaps it was a combination of things: Khrushchev's revelations about Stalin - followed nevertheless by Soviet repression in Hungary - resulted in a collapse of idealism on the British left; this, and the Suez proof that Britain's greatness was over with no new role waiting (for we were fool-

ishly standing aloof from Europe), made for uncertainty. The decade seemed better characterised by its crises - Sterling Crisis, Balance of Payments Crisis, Berlin Crisis, Convertibility Crisis and Devaluation Crisis - all had been weathered, but the Suez Crisis was, in one way, a last straw. While Angry Young Men gave voice to a mood utterly opposed to post-war optimism, the name of progress was being invoked to tear down old neighbourhoods in the East End and elsewhere, replacing them with blocks of flats and urban unease. Among the writers produced by the East End (they included Harold Pinter and Bernard Kops) Arnold Wesker first applauded the new world - "Nationalisation! National health! Think of it, the whole country is going to be organised to co-operate instead of to tear each other's throats" - but saw there was a price in the loss of community. Vansittart gives us a brilliant evocation of a period and its people, too often overlooked in summary accounts of the journey taken by Britain since the war.

A.C.G.

Sequinned treatise

Lectures on nature are not always this good, writes Christian Tyler

By regarding this majestic volume as a companion guide, one may avoid altogether the question whether Simon Schama has, or has not, written a history book.

History is certainly in the narrow sense that everything is offered as documentary fact - which was not the case in his *Dead Certainties*, a "novel-story" about the death of General Wolfe and the murder of a Boston historian.

Based on lectures given in the US, England and France, *Landscape and Memory* looks and feels more like an anthology, a personalised and idiosyncratic selection of legends, superstitions and conceits which humankind (not Man, if you please) has woven around the forest, the river and the mountains.

Schama dazzles with a virtuoso display of cross-references in the post-modernist manner of such Continental intellectuals as Claudio Magris and Umberto Eco. At the very least, this is the thinking person's coffee-table book.

The author's stated purpose is to strike an ecological compromise: not to deny the Green movement its alarm at the degradation of the planet but, by showing how deeply western civilisation has depended upon nature, to warn against the exaggerated pessimism of New Age propaganda. His aim is "a contribution to self-knowledge rather than a strategy for ecological rescue".

Man has alternately dominated and revered the landscape. As dominator, he has arrived at the concept of the "wilderness park", the ultimate oxymoron (to adopt one of Schama's favourite phrases). As worshipper he still succumbs to the demagogues of death, sacrifice and fertility: the landscape has nurtured equally the evil paganism of German National Socialism and the healthy pioneering ethos of American democracy. (But today, as the author points out, German Greens are of the political left, not right.)

Wood, the longest and most robust of the book's three central sections, is a good example of Schama's latest technique. It begins with the author's own pilgrimage to the ancient forest of north-east Poland whence his mother's Jewish ancestors came (his father's were from Smyrna). We see the historian digging his fingers into the earth at Punske to uncover the Jewish grave-stones.

Then follow an essay on the European bison, a portrait of the grotesque Reichsjägermeister Hermann Goering dressed for the hunt in the Bialowieza forest, and reflections on the persistent Teutonic weakness for woods.

Schama skips over the Channel to debunk some of the heart-of-oak mythology that nourished England's maritime empire. (Who was Robin Hood, anyway?) He crosses to the US Pacific coast to show how the discovery of 300-foot sequoias gave young America a sense of its own prehistory and proximity to God. The section concludes with a conclusion with Sir James Frazer's *The Golden Bough* and the Cross of Christianity, the sprouting staff of resurrection.

Water is a voyage from the despolitic Nile (irrigation requires autocrats) to Bernini's fountain in the Piazza Navona at Rome, and a steamy account of Sir Walter Raleigh's search for El Dorado on the river Orinoco. In *Rock* we learn about Gutzon Borglum, the man who sculpted US presidents out of Mount Rushmore, and his precursor Democrat of Macedonia who was supposed to have desired to carve Mount Athos.

LANDSCAPE AND MEMORY
by Simon Schama
HarperCollins £30, 652 pages

entire, into the figure of a man holding a real city in his right hand. We visit China's sacred mountains and watch Henriette d'Angleville climbing Mont Blanc in 1838 with a black feather boa.

Landscape and Memory is a vast, gorgeous, sequinned treatise which quickly overruns the limits of its manifesto. Digression is no longer a vice but the goal. One can but admire the bravado with which its author ties together his disparate threads: if the connections are often forced, the artifice irritating, much of the material is still fascinating.

The writing is virtuoso and florid in the Victorian manner. Schama has an exceptionally pictorial pen, which encourages him to take minor liberties with historical detail. Meanwhile the publishers have treated their author - plainly an art critic *manqué* - lavishly. There are illustrations on nearly every page, magnificent colour spreads of Turner paintings, and a fold-out picture by a contemporary artist, Anselm Kiefer, among many beautiful plates.

Schama's blockbuster peters out - elegantly - with an essay on successive visions of Arcadia, and the conclusion that in looking at landscape we are looking into our own souls. This bran tub of a book scarcely fulfils the remit its author prescribed for it. It is an extraordinary ramble into the by-ways of the past, a cross of paths which would otherwise have remained hidden.

And that, surely, counts as history.

Secret service, private passions

Michael Foot on the brilliant - and flawed - men behind MI5

Big, bonny books on the history of the British espionage system are a rare phenomenon, all the more to be treasured when we get them. We are lucky to have Tom Bower's excellent book of conversations with Sir Dick White, former head of MI5 and MI6, and we should make the most of it.

Readers of spy books may be distracted by individual names. They can leap from the pages and still leave doubts or excitements long after the author himself may have exhausted that particular episode.

The name which sits up and hits me and still leaves me reeling was that of my old friend and enemy, Arthur Koestler, author of *Darkness at Noon* - old friend he certainly was, enemy is too harsh, although we did have our

the word, made to the salvation of their people as well as ours.

For my money Arthur Koestler was the most powerful arguer I ever met, and I had met a few. It did not mean he was right about everything; far from it. But it did mean that his combinatoric logic, passion and historical insight drove him to relentless conclusions which his hearers would disregard at their peril.

Western civilisation itself could be condemned to the despair which he had seen in Franco's prison camps, or the French imitators across the frontier.

Nothing could equal London 1940: those who lived through it might be accused of having an obsession. We were alone, apart from these brilliant and brave spirits who rallied to our aid.

Even our precious friends across the Atlantic were unsure how much they could help. An election was fought in which the Republican isolationists Rights seemed to be renewing its strength.

If their policy succeeded the arms embargo would not be lifted and Britain would be left to her fate as a warring faction.

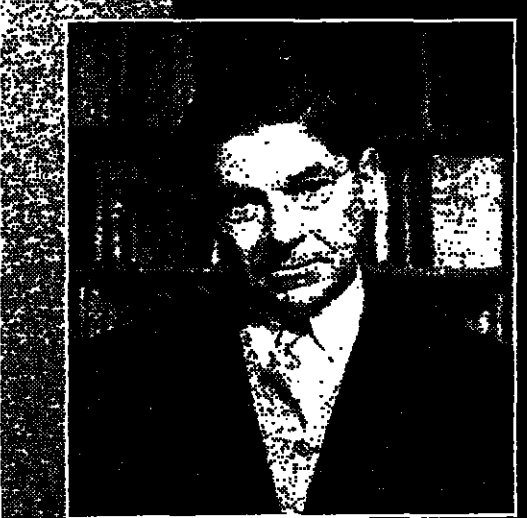
It is necessary to recall how truly isolated we were in that finest hour in order to recall the cataclysmic sense of relief when Hitler turned his offensive eastwards against the Russians, and everything else was turned upside down.

Here I must be excused for introducing another of my wartime comrades less kindly treated in these pages than Koestler. Along with Churchill, Beaverbrook welcomed the news with a genuine historical understanding and sought to translate the priceless change of fortune into achievement in the war factories.

To quote Bower, or Dick White, directly: "Beaverbrook specifically directed MI5 that on no account were we to hunt for communists. Every word against the Germans was on the right side."

That doctrine prevailed for a while and whatever else was right or wrong with it, it helped to beat the Nazis. Beaverbrook knew more about producing weapons than MI5.

From 1943 onwards, once both the Americans and the Russians were in the war, all the Allied powers committed themselves to the policy of



Brave and brilliant spirits: (main picture) Sir Dick White, former head of MI5, who wanted to create a secret service worthy of the name, and (inset) Michael Foot's old friend and enemy Arthur Koestler - who combined logic, historical insight and relentless, sometimes strange passions

unconditional surrender.

And, of course, there was a case for it in holding the alliance together. But there was also a formidable case on the other side. A rigid adherence to the formula could make it more difficult to incite and sustain resistance movements across the continent, such as did develop in several countries - Yugoslavia, Italy and the rest.

I remember those debates vividly. Aneurin Bevan was putting the case in the House of Commons; we presented the same case in the columns of

Tribune. Not until I read Bower's discoveries did I know that MI5 had been on our side.

Such revelations and enlightenments are to be found in every chapter coming right up to modern times, or almost. Names scattered casually in spy books can still do terrible damage to individuals, especially if they happen to be dead, or their families.

Tom Bower, or Dick White himself, do their best to remedy the matter when they get the chance. But to prove innocence in the espionage world is

not so easy, as the profiteering liabellers know.

One honourable man who was driven to his death by these procedures was Victor Rothschild who had joined the work in Koestler's time. Another was Roger Hollis who served his country no less faithfully and survived every investigation into his conduct - but the jackals in this form of degraded journalism are still after him.

Bower has already proved himself a journalist of independent courage and skill. I envy the whole achievement, but

especially his title. If I had thought of that, I could have made my fortune - I hope he makes his.

One last Koestlerian postscript, as hinted above. My quarrels with him were not solely political. I discovered, years after the attempt, that he had tried to rape my wife. How Dick White would have reported such matters to his superiors, I'm not quite sure.

Passion is a proper element in decent politics. Koestler had plenty of it, but sometimes it took some strange turns.

Guilty by association

Courtroom dramas played out on American television have fuelled a demand for the forensic novel, in which the plot develops less through its characters than by the twists and turns of trial procedures and the rules of evidence. This latest addition to the genre has the advantage that its author is a lawyer larger in life than any advocate in fiction. Since popular novelists like Grisham and Turow have failed to invent an Alan M. Dershowitz, the man has had to take up his pen and create himself.

His book is all about the morality of practicing law; the problem of doing good that ill conscience is represented by

Abe, a tough Boston trial lawyer with a sinking feeling that the sports celebrity to whose innocence he is professionally dedicated is in fact guilty. Not only guilty, but likely to strike again, and again. The book poses, in other words, the stock dinner party question of how a lawyer can defend someone he knows is guilty, and it explores just about every unsatisfactory answer it is possible to give.

Surprisingly, and in spite of the intrusions of Harvard classroom cleverness, the book is a good read. The story about an educated serial rapist

who stalks his victims on the Internet - maintains sufficient interest to support most of his lawyer's ethical angst. There are a few witty anecdotes woven in, and debates over political correctness. The author has for many years written a column for *Penthouse* magazine, and it shows: Dershowitz can make his characters argue electrifyingly, but he cannot make them have any form of sex either convincingly or interestingly.

This is a novel, however, about making law not love. Abe's problem, like Alan's, is his core belief that a profession

of privileged, money-hungry egomaniacs live good and useful lives merely by sticking to a set of rules they have themselves devised for the comfort of their consciences. Thus

THE ADVOCATE'S DEVIL
by Alan Dershowitz
Headline Books £16.99, 311 pages

when Alan sets Abe a problem he cannot solve, except by breaking rules, it never dawns on either author or character to ask who made these rules in the first place. Dershowitz, it

seems, has not grasped the difference between Moses and the American Bar Association.

The book's lawyers are drawn from life, but their clients come from media stereotypes. The villain is one part Oliver North, one part Mike Tyson, with an astute dash of O.J. thrown in for topical measure. There is an all-too-realistic sub-plot in Abe's pro bono fight to save a death row inmate. Here, Dershowitz's clinical accuracy serves as a telling rebuke to other populists who exploit the resurgence of interest in the death penalty by investing its mun-

dane and protracted rituals with the lurid sensationalism that sells their novels.

There are almost 3,000 prisoners on death row in the US. Their fate is now the staple fodder of forensic fiction as American writers, so shrill in condemning human rights abuses in other countries, exult in this barbarity in their own backyard. *The Advocate's Devil* shows that Dershowitz's talent for writing fiction is not so compelling that it should distract him from his more important task of putting a spoke in the wheels of the tribunals that are taking non-fictional clients to electric chairs.

Geoffrey Robertson

WILBUR SMITH

THE SEVENTH SCROLL

OUT NOW

ARTS

Television / Christopher Dunkley

Economical — with the truth

Because of television's eternal need for pictures, economics is one of those topics that the medium finds difficult to handle. All abstract subjects, not least politics, present problems, and although television spends plenty of time (far too much in the opinion of some viewers) on party political disagreements, and even more on individual politicians, we see precious little about political philosophy.

Television simply does not provide a good means for explaining what has happened, say, to socialist belief since the fall of the Berlin Wall, or the significance of the "communitarian" theories that are now reaching Britain from the US.

Since economics at national level is simply one aspect of political philosophy, television has done very little to convey to the public the ideas of people such as Hayek, even though they have been largely responsible (via disciples such as Keith Joseph and Margaret Thatcher in Britain and the Reagan clique in the US) for major changes in our lives.

It is nearly 20 years since the BBC brought us *The Age of Uncertainty* with J.K. Galbraith, followed a couple of years later by a less extensive series from Milton Friedman. Precious little comes to mind in the way of economics programmes since those.

Good, then, to find that the BBC has now made a series of four programmes for a new Open University course called *Economics And Changing Economies*. The first, *Forecasting the Economy*, had its first two screenings in March; the second, *Modelling in the Motor Industry* was shown twice this week; the third, *Modelling in the Long Term* will be shown at the end of July and the beginning of August; and the fourth, *Modelling in the Money Markets* will receive its first two transmissions in September.

They are readily available to the general public on BBC2. Core readers of the FT will have realised already that this is a specialised series dealing not with the use of the Lloyd's building as a backdrop for photographing girls in new frocks, but that other type of modelling, the sort used in attempting to forecast what will happen to the economy.

For the layman, the programmes are eye-opening: we learn that there are entire teams of people in smart grey suits, nipping across pedestrian precincts with expensive briefcases to sit beside pot plants in glass-sided offices, where they go to great and

seemingly expensive lengths to try to predict what will happen to the economy. Since their answers invariably differ from one another, most are presumably going to be wrong most of the time, the trouble being that the rest of us can never know until after the event which, if any, were right.

In this week's programme, which used Morgan, Toyota and Ford as examples, we heard one of the former economic gurus from Ford maintaining that the only use for macro-economic models is to tell us what happened in the past. Fat lot of good, thought the layman. Surely the obvious thing for these programmes to do is go back a few years, find what the various models (Treasury, London Business School and so on) were telling us, and check against what actually

Each year one forecast is spot on, but each year it is done by somebody different

happened. Then we would know which to trust.

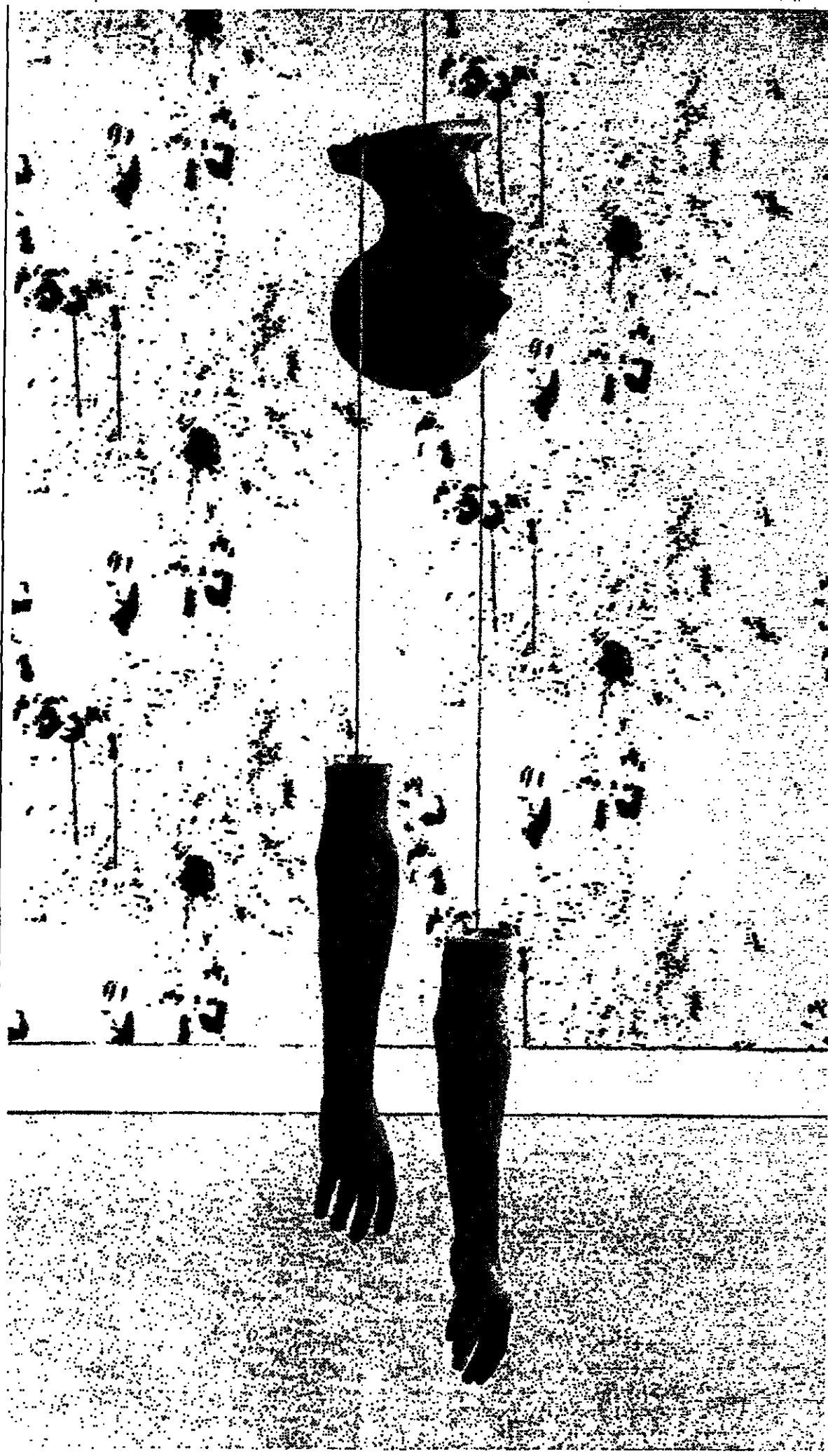
Alison Tucker, who produced the series, does do just that — or rather she consults Christopher Huhne, former City editor of *The Independent*, who has been checking form in this way for some time — but not until the final programme.

Huhne reveals that each year somebody's forecast has been virtually spot on, but each year it has been somebody different. This seems tantamount to saying that economic, or even econometric, modelling is about as reliable as interpreting the entrails of a cockerel or reading Tarot cards.

Sure enough, at the very end, Paul Ormerod tells us about a 1993 study ranking the forecasts of major national governments, the OECD, and the IMF during the period 1987-92 against a "naïve rule" that this year's rate of growth or this year's inflation will be equal to last year's.

The naïve rule, says Ormerod, performed at least as well as the forecasts and on inflation proved a bit more accurate. So all that expensive modelling turns out to be no better than the cheapest and simplest rule of thumb.

Do core readers of the FT watch Open University programmes? Perhaps they should.



Suspension of disbelief: Detail from *Skin of the Teeth* by Abigail Lane on show at the ICA

The awful reduced to the banal

William Packer laments the lack of critical challenge in two exhibitions at the ICA

From its foundation by Roland Penrose in the late 1940s until well into the 1980s, the ICA was at the centre of London's active art world, and at its heart was its engagement with the visual arts. It was a place where the work of the *avant-garde* was seen, heard, considered and held within the informing context of modernism as a whole, and even after the fateful move up-market from Dover Street to the Mall in the late 1980s, something of that spirit remained. Ambitious theme shows, such as Julie Lawson's *Obsessive Image*, which returned to the figure in a time of triumphalist abstraction, argued well for the future, but not for long.

Do artists still use the ICA as once they felt obliged to do, visit it regularly for the art it shows, the issues it raises, the creative stimulus it supplies? It would be depressing if they did, for what they have had these many years is no debate, no context, no critical challenge, but only the barren orthodoxy of *avant-garde* and conceptual chic. Yet the ICA is possessed of fine galleries, its two upper rooms among the finest in London. So much could be done.

Luc Tuymans is a young Belgian artist in whose work the cult of bad painting is celebrated in what we might hope is its final decadence. Yet he is, it would seem, the coming man, with already a healthy list of shows to his credit, from Documenta to the Hayward, and a swelling critical bibliography.

This show, organised by the York University of Ontario, was assembled by Gregory Saltzman. "Tuymans's art," he tells us, "is full of content but not in the form of ideas... Often the compositions are skeletal. Details are lacking or whole parts of the image may be elided. The images tend to be loose and to float tentatively and aimlessly on empty fields... The image is little more than a disembodied exhalation, an ephemeral but intoxicating aroma."

So much for what it is, now for what it is about. "[His art's] despair is connected with a searing lucidity such as is often discovered through personal trauma... It possesses the courage to regard emptiness unflinchingly... Tuymans's inactivist art risks emptiness and in doing so finds a certain ecstatic fullness."

So that's all right then. We are speaking, I should say, of perfunctory images cursorily derived from a photograph of a Nazi gas chamber, or experimental laboratory, or infected tooth. "The original stimulus... appears to recede... experienced merely as a distant emanation..."

...the picturing of an event that verges on being unrepresentable." So Tuymans, in his heroic vacuity, makes no effort to represent it, nor even to understand it, but merely appropriates to himself all the easy righteousness that goes with making the right reference, striking the right attitude. And the Saltzman of this world lap it up.

The trick, of course, is to say nothing of these paintings as painting, and for the very good reason that, as paintings, they are manifestly breath-takingly inept. Does it not occur to Saltzman that Tuymans the painter is simply not very good: that he cannot do it? There are several heads again derived from photographs to make the point. One hardly knows whether the cynicism of the one or the earnest naivety of the other is the more contemptible.

Abigail Lane's *Skin of the Teeth* installation in the upper galleries is rather more acceptable, in that it is at least well done within the terms. It sets itself, Lane, not yet 30, is one of the "Golden Age" collage generation that produced Damien Hirst and, like him, is inclined to see the artist's role as more that of presenter or agent-provocateur than of actual maker. The idea, you see, is always the thing.

She is very keen on prints, footprints, body-prints, and indeed has papered several rooms with boot-prints. Here, however, she has something more macabre for her wallpaper, an image of spattered blood and bloody palm-prints taken from the files of the New York Police. The effect is incongruously decorative, the awful reduced to the banal.

But there is more. About head-high in the middle of one room hang two life casts in bright red wax, the one a disembodied arm, the other, upside-down, a head. In the middle of the other, similarly-papered room stands the concrete life-cast of a little dog, and from behind the door comes the sound of a quietly insistent scratching. How profound.

It is the sort of display that might just help to sell a few frocks in Knightsbridge, a momentarily diverting piece of gruesome window theatre. But anything more? Murder is horrid, messy, and commonplace. Yes, we know that, my dear.

Luc Tuymans — *Superstition*, until April 30, supported by the Ministry for the Flemish Community. Abigail Lane — *Skin of the Teeth*, until April 23, supported by the Henry Moore Foundation. Both exhibitions are at the Institute of Contemporary Arts, The Mall, London SW1.

Radio

Dog days in drama

It might as well be spring," runs the wistful Rodgers and Hammerstein song. Well, it is; but it might as well be the dog days of high summer to judge by the repeats that wallpaper certain departments of the BBC's radio scheduling.

Even the Book at Bedtime has been heard before. All three Radio 4 drama slots last Saturday — traditionally a big night for staying in and listening when I was a child — aired re-runs (Saturday Playhouse, Saturday Night Theatre, Murder Before Midnight), bespeaking thrills beyond the cause of good housekeeping.

The following night, *The Duchess of Malfi* on Radio 3 was another repeat, although here artistic ambition might be cited as justification. *Ballylenon*, *The Return of Sherlock Holmes*, Dick Francis's *Bolt* and *The Crusader Chronicles* (opportunistically resurrected for the presence of Hugh Grant) continue the procession

of "These You May Have Been Mildly Amused By."

This is grossly unfair criticism, of course, displaying the unreasonable of accusations usually reserved for family or loved ones. However last Saturday's *rechauffé* look did strike me as excessive.

And is the scheduling for the same day of *A View from Abroad* (European travel writers on Britain) and *Reading Aloud: As Others See Us* (Britain through the eyes of foreigners) a deliberate example of "theme" planning or mere mindlessness?

On the other hand, Sunday evening's "Children's Radio 4" (what a pompous title for something that used to be taken for granted every day) is

a winner. Despite never having been a sci-fi/fantasy/futuristic fiction buff, I am totally hooked by *Joe's Kingdom*. Celia De Wolf's production of John Peacock's glimpse of survival against the odds after some future cataclysm is cracklingly done: convincing acting, direction, story-line. I hope the dog survives, in spite of a performance (Joshua Towb) that would win no prizes at either Rada or Cuffs.

The Chronicles of Clovis has proved a success, with its little repertory company of stylish players (John Sessions, Angela Thorne, Prunella Scales and Samuel West) relishing the dazzling Edwardian storyteller, Sakl.

The Labour Exchange, Radio

4's new — what? panel game? comedy show? — is a turkey: unfunny, baffling, pointless and messy. *The Board Game*, with which our readers may feel some affinity, boasts some pleasingly dry wits from the ranks of finance and commerce, although it might be funnier with a less strenuously comedic format. It does not deserve the factious hard-sell presentation.

Still on Radio 4, a disturbing tendency to blur the lines between fact and fantasy, documentary and poetry: a lumpy blending that does justice to neither the story being told nor the reflection it inspires.

Chief offender has been *Invisible Histories*, a selection of reminiscences by and about

black people in Britain since the days of slavery. A forgotten presence, some horrific stories, some heartening, but presented with a portentousness that verges on the lugubrious and a smattering of (I assume) fictionalised poetic comment given to the historical protagonists.

Last Sunday's programme was also hard to sift, dealing with the black actor Ira Aldridge, whose memoirs are notoriously unreliable but whose performances were much praised in London in the 1830s (not 1830s, as stated in the Radio Times which is making slovenliness into a surreal art-form).

An out-and-out drama series such as *The Cinderella Service*

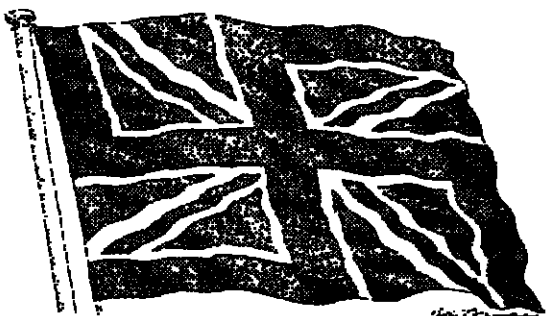
has the air of a souped-up documentary and the documentary elements in this story set amid the work of the Land Army girls in the second world war are infinitely more interesting than the drama.

The Home Front, "a picture of wartime Britain built up from diary extracts", a jumble of unidentified voices, some with rather stagey regional accents, grows on the listener after initial confusion.

Music is a terrible tear-jerker and a linking popular tunes of the time, not to mention Myra Hess playing "Jesu, joy of man's desiring", cast a spell. So do the excitements, bewilderment, fears (proportionately few) and squabbles of the civilians as they resort to their bomb shelters — or not, as with one splenic diarist who records a flaming row with a neighbour described (innocent days) as both Nazi and communist.

Martin Hoyle

THE SPECTATOR



Anne Applebaum: how the British would have collaborated under Nazi rule

Nigel Lawson: how I lost the battle over poll tax

Lord Gowrie: what the feelgood factor really means

Julie Burchill on the joys of lesbianism

Boris Johnson: start cutting taxes now, Mr Clarke - it's our money after all

Plus all our regular columnists including Jeffrey Bernard, Charles Moore, Nigel Nicolson, Christopher Fildes, Ian Hislop, Mary Killen and Andrew Robson's Bridge column. Together with the best cartoons of the week.

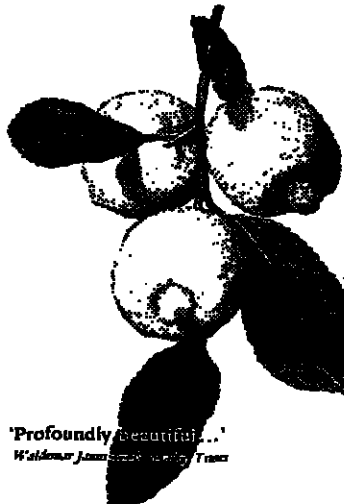
ALL IN THIS WEEK'S SPECTATOR

OUT NOW!

SPANISH STILL LIFE

from Velázquez to Goya

22 February – 21 May 1995



"Profoundly beautiful..."
Waldemar Januszczak, *Sunday Times*

Sponsored by Glaxo

Closed Good Friday
Monday to Saturday
10am–6pm,
Sunday 2pm–6pm,
Wednesday until 8pm
Spanish Music
from 5.30pm
Admission: £4,
concessions £2,
Wednesdays
5.15–7.15pm: £2

National Gallery
Information:
0171-747 2885

Sainsbury Wing
Entrance,
Trafalgar Square,
London WC2

THE NATIONAL GALLERY

12 - 23 April 1995

art from ARGENTINA

A Museum of Modern Art Oxford touring exhibition sponsored by

West Merchant Bank

Organised in association with the Argentine Ministry of Foreign Affairs

ROYAL COLLEGE OF ART

Gulbenkian Upper and Lower Galleries and the Link Gallery
Kensington Gore, London SW7 2EU

Opening times: Daily, 10 am - 5 pm, inclusive of Easter holidays

ST. JOSEPH'S HOSPICE

MADE ST. LONDON SE 14 4SA
(Cherry Red St. 31-3123)

An Easter Message

Winter has gone - and with it went many of our gravely ill guests. They felt safe in our hands - hands so kindly and constantly supported by yours.

Prayerfully & gratefully we wish you all the blessings of Easter and the pleasures of Spring.

Sister Superior

ART GALLERIES

MARLBOROUGH TWO AND A HALF ALBANY ST. W1. 0171-639 6161. CELIA PAUL, 178-179, Apr. Mon-Fri 10-5.30, Sat 10-12.20.

150 من الاصل

awful
ced to
banal

ments the lack of critic
exhibitions at the ICA

...the lack of critic
exhibitions at the ICA

...the lack of critic
exhibitions at the ICA

...the lack of critic
exhibitions at the ICA

...the lack of critic
exhibitions at the ICA

...the lack of critic
exhibitions at the ICA

...the lack of critic
exhibitions at the ICA

ART GALLERY

ARTS

Vanya on 42nd St (the Louis Malle movie). **Vanya on Broadway** (Tom Courtenay, right now). **Vanya in Wales** (Anthony Hopkins - on stage last summer, and in a film, *August*, to be released later this year). **Vanya on black-and-white video** (Michael Redgrave). **Vanya touring Ireland and now reaching London** (Stephen Rea)... **Chekhov's Uncle Vanya** comes at us in many forms right now.

But, though this abundance of *Vanya* is unusual, the abundance of Chekhov is standard. Among classic playwrights, Chekhov has acquired a place in British stage repertory second only to Shakespeare.

There is a theory that Chekhov's genius lay more in his stories than in his plays, and this has much to support it. *Ward No 6*, *Lady with Dog*, etc. are among the final peaks of the great mountain range of Russian 19th-century fiction that had started with Pushkin.

In his stories, Chekhov's view of the world has immense variety. The miracle of the plays, however, is that they are so inclusive, so full of contradictory impulses. Almost every scene in these four great plays "includes" features that Chekhov separately put in *Peasants*, *Neighbours* and other stories; we can also feel the traces of much 19th-century Russian fiction and at least three centuries of world drama.

In these plays, set in the provinces, every character is but too aware that more important actions are occurring elsewhere. In *The Seagull*, Trigorin says that when people pass his grave, they will say: "He was a good writer, but he wasn't as good as Turgenev." In the first minute of *Vanya*, Astrov remarks that none of them will be remembered in 100 or 200 years from now; and Vanya himself believes he has wasted his whole life for the sake of the not very distinguished Professor Serebryakov.

More remarkable yet is the importance of inaction. What everyone remembers from *The Three Sisters* is the title characters forever talking of Moscow but never going there. In *The Cherry Orchard* people talk about ways of saving the orchard and the estate, they talk about marriage, but no one saves the orchard from the axe and no one gets wed. This is part of what makes the plays so extraordinarily tragicomic.

No doubt Chekhov's plays were fertilised by those of Turgenev and Ibsen - parts of *Vanya* are unmistakably a re-write of Turgenev's *A Month in the Country* - but, to us, whether or not he intended it, Chekhov revived a multifaceted and mercurial essence in dramatic situation and conversation that had been dormant since Shakespeare.

In *The Three Sisters*, Tushenbach's death occurs off-stage (like that of George Voinitsky, the Vanya character in *The Wood Demon*, the play that Chekhov later revised into *Uncle Vanya*), and life on-stage carries on which may remind us of the way the death of the



Wallace Shawn as Vanya and Brooke Smith in 'Uncle Vanya' on 42nd St

Favourite Uncle

Alastair Macaulay on the enduring appeal of Chekhov

French King clouds the action of *Love's Labour's Lost*.

Konstantin in *The Seagull*, with his dominating mother caught up with her new boyfriend, is one of life's minor Hamlets. The way that characters throughout Chekhov will sit and talk - of death, of neighbours, of sales - may remind us the most extraordinary scene in all Shakespeare, that between Justice Shallow and Justice Silence in *Henry IV Part 2*.

It is strange to reflect that Britain (like several other western countries) has a much richer tradition of staging Chekhov than has Russia. And it is wonderful to read of the time when that British tradition was being founded. Komisarjevsky - brother of the celebrated Russian actress Komisarjevskaya, who was Stanislavsky's original Nina in *The Seagull* - directed seminal productions of all the major Chekhov plays, using a golden generation of actors: Edith Evans, Charles Laughton, John Gielgud, Peggy Ashcroft, Alec Guinness, Martita Hunt.

Gielgud writes that "Komis's favourite direction was

"pause", and in this alone we can sense the effect of Komis's Chekhov on 20th-century drama. When Edith Evans played Arkadina in his 1936 staging of *The Seagull* she dared to take a long pause - four minutes, according to Alec Guinness's memoirs - in the first act, to listen to music across the lake, and thereby won Komis's "uncompromising allegiance".

Within minutes of the curtain rising on these plays, we find perhaps three separate groups of characters: some busy, some meandering, some wholly idle. It is virtually impossible to give any stage symmetry to this. Even if a director places the three desolated sisters stage centre in their last act, attention will keep switching to the old man upstairs who keeps singing "Ta-ra-ra-boom-de-ay".

Chekhov was anticipating the radically uncentred and asymmetrical use of stage space that would become vital in the avant-garde choreography of Merce Cunningham, just as he anticipated Cunningham's use of two or three separate actions occurring at different speeds.

The greatness of Chekhov's plays lies less in what they tell us, than in the audacious

veracity with which they show it. His dramas are not neat or focused, and they do not end with deaths or marriages or departures. When people leave the stage in Chekhov, he always homes in on those they have left behind - like Vanya and Sonya at the end of *Vanya*, or Firs, the old footman, locked in the house and forgotten at the end of *The Cherry Orchard*. Indeed, Chekhov's plays do not really have beginnings or endings as such. The curtain simply rises and falls, showing us scenes, excerpts from the contradictory drama of ordinary life, which we sense will carry on after the play and away into the unseen spaces offstage. But the life that occurs before our eyes onstage, constantly shifting between pathos and comedy, now rattling away and now pausing, has compelling reality. No later playwright has made the stage feel so abundantly full of ordinary truth.

Uncle Vanya opens at the Tricycle Theatre, Kilburn on April 10. Thelma Holt's production of *The Seagull* is currently touring England. Adrian Noble's RSC staging of *The Cherry Orchard* opens on July 4 at the Swan Theatre, Stratford-upon-Avon.

'Faust' offering foretells future

Hugues Gall is bound for Paris, writes Andrew Clark

With this month's performances of Gounod's *Faust*, Hugues Gall has begun the final chapter of his 15-year reign in Geneva. At the end of June he will clear his office at the Grand Théâtre and formally take up his appointment as director of the Paris Opéra, a job that has occupied much of his attention for the past 30 months.

Details of Gall's inaugural season at the Bastille will be announced next week. We already know he will open with *Nabucco*, and that *La bohème* will allow Parisian audiences a closer look at James Conlon, the Opéra's new chief conductor. Gall's choice of the 45-year-old American was astute. Conlon is a versatile and reliable musician. He speaks French and has 15 years' experience of guest conducting in Paris. He is a credible replacement for the ousted Korean conductor, Myung-Whun Chung, but unlike Chung he will not pose a threat to Gall's authority.

Conlon's duties will be limited to supervising the Opéra's orchestra and chorus, and conducting a minimum of 35 performances a season. He will keep his job with the Cologne Opera, where he has been music director since 1989. His contract in Paris starts with the 1996-97 season. Until then he will have an advisory role.

So the burden of responsibility rests with Gall, who must bring a sense of direction to a house that has been drifting out of control since its inauguration in 1989. If anyone can sort out the mess, it is Gall - a man with a French patrician background, a popular touch and political savvy.

He has proved in Geneva that he is committed to high standards, but sees opera in terms of public service. That means Paris can look forward to a catholic style, with nothing too risky or way-out. The risk lies in the Opéra's fixed resources, a mammoth operation compared with Geneva: can Gall, the hands-on manager who cannot go soft-focus, make sense of the Bastille's imperfect facilities, motivate its personnel and tame the unions?

The Geneva *Faust* offers a taste of what Paris can expect on stage. It is treated to an iconoclastic interpretation by the young Canadian stage director Robert Carsen, but it looks good and keeps the audience gripped. It is well conducted by John Nelson, who savours the rich lyricism of the score without going soft-focus. And it is beautifully sung by a cast which underlines one of Gall's strongly held beliefs - that the English-speaking world offers an unrivalled pool of artistic talent and professionalism. It is no surprise that Carsen and Samuel Ramey - Mephistophiles in Geneva - will head the bill for *Nabucco* in Paris in September.

Carsen, aided by his designers Radu and Miruna Boruzescu, sees *Faust* as a dream - that of a decrepit old man who wants to reclaim the joys of youth, but is instead confronted by a nightmare. Are we seeing Faust's life in flashback, or is it just the bizarre fantasy, half-nostalgic, half-bittered, of a man on the threshold of death? We are left to make up our own minds.

The entire performance takes place within a spacious church, the strongest possible setting for a confrontation



Samuel Ramey: commanding and dangerous

Cive Eade

with the Devil. The opening scene finds a 19th-century congregation in mid-service until the priest reveals himself as Mephistophiles, the fallen angel with an insider's knowledge of the divine. Thereafter, dressed in a blood-red morning coat, he acts the *grand seigneur*, manipulating his charges like a puppeteer while keeping an apparently endless supply of surprises up his sleeve. Blasphemy abounds: Faust and Marguerite make love beneath the Madonna. Mephistophiles drowns their baby in the font. There is also a strong helping of kitsch. The opera swallows it all.

Like most Carsen productions, *Faust* impresses but rarely moves. He must try not to be so clever (especially in the chorus scenes), for he is clearly a gifted director - one of the few who can draw a credible acting performance from Ramey. Gounod's Devil is a proud addition to a long line of Mephistophiles parts in the American house's repertoire. With his well-tailored outfit and good looks, Ramey presents a commanding, dangerous figure. He moves with purpose and has a ghostly smirk - all a

vital complement to his vocal authority and impeccable diction. If only someone could persuade him to give a performance like this as Don Giovanni.

Marguerite is sung by Deborah Riedel, an Australian on the verge of a big career, whose gracious lyric soprano has plenty of body but not yet enough bloom. She can act the part, moving from virginal innocence through sensual expectation to forlorn, single-parent distress.

Her Faust is Giuseppe Sabbatini, one of those rare Italian tenors who sings French properly. Next to Ramey and Riedel, his voice is half a size too small. He also misses the sense of romantic passion essential to the part. In his favour is a strong technique and a steady, stylish delivery.

With *Faust*, Gall has declared his intention to leave Geneva in style. Next month brings *I Puritani*, and his grand finale in June will be Gluck's *Orpheus* with Anne-Sophie von Otter.

Further performances of "Faust" April 9, 12, 15, 16, 21, 23.

FT
UK ARTS GUIDE FAX

If you are interested in the arts, we have a weekly fax service to suit you. Our UK Arts Guide covers those major productions reviewed in the FT - giving a full listing of events and also the option to access the FT review of your choice.

For a full listing of the choices available, dial 0891 437 200 from the keypad or telephone on your fax machine, and follow the voice prompt.

FT ARTS GUIDE

Dance	Film	Books	Exhibitions	Theatre
Shakespeare	Frankenstein	Prings of Wales	Pro-Rachak	Hamlet
Shakespeare	Frankenstein	Prings of Wales	Pro-Rachak	Hamlet

To receive the FT review of your choice, dial 0891 437 followed by the 3 digit code which appears against the particular event shown on the full listing. Please dial from the keypad or telephone on your fax machine, and follow the voice prompt.

FT ARTS GUIDE
HAMLET

Not only is Stephen Dillane's Hamlet the freshest, most interesting, and most peculiar ingredient.....

Please note: If you experience any difficulties accessing our service by dialling from the keypad of your machine, try polling mode or leave your name and address on our Helpdesk line (0171 873 4378), stating this fact, and we will send you a connecting device to enable you to use your telephone with your fax.

Calls are charged at 20p per minute (cheap rates 10p per minute at all other times).

FT
FINANCIAL TIMES
Information

Theatre/David Murray Celebration of mother

Everybody in the gentle little play - *If we are women* - that has just docked at Greenwich is a woman, no doubt about that. (We nearly meet a fiancé at the end, but the curtain cuts him off - like *George and Margaret*.)

The curious title is half of a quotation from Virginia Woolf: "We think back through our mothers, if we are women." That is what the Canadian playwright Joanna McClelland Glass has been doing here; the play is partly a celebration of her own mother, "an illiterate woman from the Saskatchewan prairie", and her intellectual Jewish-American mother-in-law.

Jessica (Diana Quick) is a writer, whom we cannot but suppose to be much like Glass herself.

She is long divorced, but remains friendly with her ex-husband's mother; she has a daughter Polly (Caroline Catz) still living at home, soon to go off to Yale. Now her lover of several years has died unex-

pectedly, and the two older women have come to her house on the Atlantic seaboard to rally round.

Unfortunately, Polly proves to have lost her virginity last night to a rich boy who wants to take her away to rural exile in Colorado.

That was the last thing Jessica needed - but it is the excuse for triple maternal reflections, shared worries, confessions and reminiscences. Those latter take up a larger share of the play than is strictly required by the action, such as it is; but they are quite interesting in their own right, and they let the actresses expand into their roles.

Miss Glass finds them so interesting that they get reprised quite often, and a poetic collage of them concludes the play.

Many of the tentative, edgy conversations between the women, including young Polly, are tenderly affecting (some more fine-tuning by the director would help), and there are enough funny lines to keep the

tears safely at bay for two hours. There is, however, a certain accent-problem. Being Canadian, I may be hypersensitive, but for all Miss Plowright's crusty dignity and warmth, her ripe Duchess act goes nowhere toward catching the voice or the manners of a Jewish-American matron (the director Richard Olivier is her son: perhaps an unwise pairing).

Nor does Miss Quick's accent ever find a safe mooring - though she has of course the excuse of being justifiably overwrought.

In the circumstances, Sheila Paterson's fine Prairie rasp sounds overwhelmingly authentic (she was rushed in from Canada at the last moment to replace an ailing actress), and she gives the play most of its ballast.

Caroline Catz has no problems with Polly, and indeed makes a fresh, charming sketch of her.

At the Greenwich Theatre till the end of April

BUSINESSES FOR SALE

CALL FOR EXPRESSION OF INTEREST FOR THE PURCHASE OF THE GROUPS OF ASSETS OF "HYMOFIX HELLAS S.A." of Athens, Greece

"ETHNIKI KEPHALAIOU S.A. Assets and Liabilities", of 1 Skoufion St., Athens, Greece, in its capacity as Liquidator of "HYMOFIX HELLAS S.A.", a Company with its registered office in Athens, Greece (the "Company"), hereby invites interested parties to submit within twenty (20) days from the publication of this notice, non-binding written expressions of interest for the purchase of one or more of the groups of assets described below, each one being sold as a single entity.

BRIEF INFORMATION

The Company was established in 1958. On 7.11.94 it was placed under special liquidation according to the provisions of article 46a of Law 1892/1994. Its activities included the production of fruit juice, tomato paste, tomato juice, compotes, vegetables and whole tomatoes (canned) and fruit puree.

GROUPS OF ASSETS OFFERED FOR SALE

1. A factory, standing on a plot of 8,530 sq.m. located in Tyrnavos, together with the machinery and mechanical equipment contained in it.
2. A plot of land equal to 2,695 sq.m. located in Thessaloniki, together with the buildings standing on it (formerly a factory).
3. Agricultural plots of land (8) covering a total area of 383.2 sq.m. in Xerolobos.
4. Agricultural plots of land (3) covering a total area of 212.3 sq.m. in Lefkara, N. Elias.
5. Agricultural plots of land (3) covering a total area of 241.4 sq.m. in Savatila, N. Elias.

The above agricultural plots of land are being rented by third parties.

SALE PROCEDURE

The Company's assets will be sold by way of Public Auction in accordance with the provisions of Article 46a of Law 1892/1994 (as supplemented by art.14 of Law 2000/1991) and subsequently amended and the terms set out in the call for tenders for the sale of the above assets, to be published in the Greek and foreign press on the dates provided by law. This is the third Auction to take place.

SUBMISSION OF EXPRESSIONS OF INTEREST - OFFERING MEMORANDUM - INFORMATION

For the submission of expressions of interest, as well as in order to obtain a copy of the Offering Memorandum for each one of the above groups of assets, please contact the Liquidator "ETHNIKI KEPHALAIOU S.A. Administration of Assets and Liabilities" 1 Skoufion St., 105 61 Athens, Greece. Tel. +30-1-323.14.84-7. Fax: +30-1-321.79.05 (attention Mrs. Maria Frangaki) or the Liquidator's agent, Mr. Konstantinos Kyriakis, 120 Solonos St. Athens, Tel. +30-1-381.00.20.

1PRACR1191131

**ONLY TWO
REMAINING**

Berkeley
HOMES

STONECROSS TRUMPINGTON - CAMBRIDGE CB2 2SU
URV ST EDMUNDS CAMBRIDGE IP51NH NORTHAMPTON NORWICH - LONDON PERT

PILKINGTON HOMES TEL: 01744 693077

BIDWELLS
CHARTERED SURVEYORS

01738 630666

FREE GUIDE to period property for sale in the Cotswolds. Call Barningtons now. Tel: 01285 842882 Fax: 01285 850620

**Holiday Homes
with a
View!**

macnorth

**HOUSING
DESIGN
AWARD
WINNER**

FOR FULL DETAILS

PILKINGTON HOMES
THE COURT, ALEXANDRA PARK, PRESTON ROAD,
ST HELENS WAIR 071 TEL: 01744 593010
0326 250000

HAMPSHIRE Mottisfont, nr Romsey.
Attractive Grade II Listed 5 bedroom farmhouse
to let furnished. Peaceful location on the River
Test in National Trust land **ROMSEY**
OFFICE: (071 794) 522670

Price OIRO £395,000
Agents: Fox & Sons
 Haven Road,
 Clivedon Cliffs,
 Wexham, Bucks HP12 3JF.
 Te. Tel: (01292) 700922

404 890383

RESIDENTIAL LETTINGS:
Tel: 0171 408 2743 Fax: 0171 408 2763

744 0034 FAX: 0171
RICHMOND BRIDGE

Ready to occupy £565,000 L.H. R W As
01494 890383

RESIDENTIAL LETTINGS:
Tel: 0171 426 2700

هكذا من الاصل

PROPERTY

Landless survivors of a bygone age

Owning a substantial country home has always been an Englishman's dream. Gerald Cadogan reports

The large number of Range Rovers to be seen at 2.30pm on Fridays in west London on the A40/M40 route to the shires, is a sign that people with money still find fulfilment in escaping to a house of substance in the country.

Country houses continue to provide the benefits of rural life, but many of their owners no longer have responsibilities to local farming communities that have been traditionally part of living in "the big house".

Often, accompanying agricultural land has been sold to neighbouring farmers, who can benefit from a more efficient use of their machinery. This may leave the country house an island. If a few acres remain, they will support a hunter and a pony or two, but cannot fund the property's upkeep - or its swimming pool and tennis court.

But the British enjoy these landless survivors of a bygone age. The British formed 94 per cent of buyers of country houses in 1994, according to Savills Residential Research, which characterises them as "wealthy, mature and equity-rich". They have to be, to produce £500,000.

The buyers are also becoming older. Last year 72 per cent of them were in the over-40 age range, against 67 per cent in 1993, and there was a slight increase in buyers looking for a place to retire (6 per cent from 4 per cent).

There was a decline to 17 per cent from 27 per cent in the number of buyers with growing families who need more space, which is surprising as parents might be expected to feel exhausted at coping with destructive 10-year-olds cooped up in a London house.

At this time of year, a place in the country, including pool and tennis court, ought to look almost irresistible to harassed parents. Thus, at Knight Frank & Rutley, Patrick Ramsay's buyers are mainly "the traditional market" of British families in search of space. Some

have been looking for a year to 18 months.

Thinner winter advertising may have suggested that supply is short but, with the affluents in full bloom, more houses are coming to market. In any event, "there has never been a flood", says Charles Ellingworth, of buying agent Property Vision, who sees a reasonable supply of buyers and sellers so far this year.

The higher up the price scale, the more international the market becomes. For a £1m house, 35 per cent of KFR's potential buyers will be from abroad, including UK expatriates, as well as Germans and Dutch helped by their strong currencies.

Gone for good is the late 1980s froth-element of British buying, which often ended in tears and forced sales as owners, or their schemes for converting the houses into flats, golf clubs and hotels, went wrong.

Prices are not now noticeably rising, except in a few well-publicised cases. Ramsay finds. But they did rise last year. To the disappointment of vendors who are still waiting to retrieve what they paid in the balmy times of seven years ago, agents now stress that there is nothing like over-pricing - even by 5 or 10 per cent - to kill a sale.

Ellingworth, which acts only for buyers, expects its clients to be even more price-conscious this year. At the back of their minds is another rise in interest rates. A different view comes from Strutt & Parker where James Laing, with more would-be buyers than sellers, expects some price rises "through desperation", since possible sellers of a year or two ago by now have no need to sell (unless for death, debt or divorce).

"If they managed to survive the recession, they are now earning more money and can sit tight." But buyers are still appearing, who have made money in the last three years. Demand will squeeze prices higher. A possible bear point is



Coker Court, East Coker, near Yeovil, Somerset: the main wing of which is on the market for £385,000. TS Elliot had connections with the village



Garthwin, in north Wales, is on the market for the first time, at £1.25m

Lloyd's Laing has maintained consistently, and correctly, that Lloyd's losses have been a minor factor on the selling side. That may change when the next set of devastating bills appears in June and some Lloyd's Names reach the limit of the losses and have to sell their country houses. Lloyd's houses may well be on the market in late 1995 and early 1996. But there are not that many houses involved.

Prices for prime properties rose by 7 per cent on average in 1994, Savills estimates, and by 12 per cent in the home counties, peaking at 17 per cent in Surrey and north Hampshire. At the end of the



Southill House, Somerset, listed grade I, costs £700,000

East Anglia offers good value. The Elizabethan Walpole St Peter Manor near King's Lynn in Norfolk is called locally "the manor of the fens". Restored with help from Henry VIII in 1558, it is yet grander. It is built on a Tudor E-plan, but lost its moat in 1864. With 16 acres, it costs £550,000, from Savills. In Gloucestershire Rapsgate Park is a beautiful Queen

Anne house with plenty of out-buildings which needs refurbishment. For £775,000 from Knight Frank & Rutley in Cirencester, it could become a dream country house provided the new owner is satisfied with 14 acres, mostly park. In Hampshire £695,000 buys most of Sherfield Court near Basingstoke from Hill & Morrison or Edwards & Elliott. This

romantic Elizabethan/Queen Anne house, with a thatched octagonal loggia added in the 1820s by the architect-owner Lord Gerald Wellesley, has 21 acres. Vita Sackville-West wrote about the moated island garden in her poem *The Land*. Part of the house is not for sale but that does not affect privacy.

TS Elliot is the poet linked with East Coker in Somerset. The title of one of the *Four Quartets*, it is where he is buried and where his forebears left to go to the US. The partly-Georgian main wing of Coker Court includes the medieval great hall, for £385,000, from Michael de Pelet. Also in Somerset is Southill House near Shepton Mallet, designed by John Wood the Younger (of the Royal Crescent in Bath) and listed grade I. It costs £700,000 from Savills in Bath.

The grandest house is Trafalgar House near Salisbury, designed by John James (of St George's, Hanover Square) with additions by Wood and Nicholas Revett. In 1815 a grateful nation bought it to give to the Nelson family. After the last Lord Nelson died unmarried in 1947, and the Attlee government stopped the Nelson family pension, it took an Act of Parliament to let it be sold. Now for sale again, it costs £1.8m from KFR in London.

But a real country gentleman needs an estate as well as a house. Garthwin, near Abergele in north Wales, is on the market for the first time, at £1.25m from Lane Fox or Strutt & Parker in Chester. Here the Wynne family has lived for more than 1,000 years. The Georgian house with additions by Clough Williams-Ellis (of Portmeirion) has a chapel and theatre and comes with 853 acres.

Beltons, King's Lynn (01553-770053); Michael de Pelet, Sherborne (01935-812236); Edwards & Elliott, Ascot (01344-872588); Hill & Morrison, Odham (01256-702892); Knight Frank & Rutley, Cirencester (01295-659771); and London (0171-493 8171); Lane Fox, London (0171-499 4785); Savills, Bath (01225-444622) and Norwich (01603-617431); Strutt & Parker, Chester (01244-320747) and Norwich (01603-617431).

INTERNATIONAL PROPERTY

DORDOGNE VALLEY, FRANCE

A 17th century house with character built of stone in Périgord style, near the village of Bourdeaux. The house is on the banks of the Dordogne and has a large garden with swimming pool. The house is built of stone and has a large garden with swimming pool. The house is built of stone and has a large garden with swimming pool.

PRICE: £800,000 K.F.S. NEGOTIABLE. Tel: (0333) 3304 7665

FOR SALE - NORMANDY OPPOSITE JERSEY

4 miles from BARNEVILLE-CARTIERET and 20 miles from Cherbourg. Facing South and overlooking the English Channel and the sea (15 miles). With the following amenities: main house: large living room, TV room, kitchen, dining room, 5 bedrooms, 2 bathrooms and toilet, left, central heating, underfloor heating, garage, barn, workshop and flat with study, 3 bedrooms, shower room, 3 1/2 acres, potential for development.

£235,000 o.n.o. Tel: (0333) 3304 7665

AUSTRIA-NEUBAU 18, Pöchlarn: Villa (Pöchlarn) Palast Style situated in a prime and desirable location. Villa 200m², Garden 2500m². Permission for the limited development of the villa has been granted. Perfectly suited for embassy, business, residence, retirement etc. Owner sells because of old age. Price US\$ 8.5M. Negotiable. White, P.O. Box 100, Kirchdorf, A-3470, Austria.

LANE GENERAL, BRIAN AND THE ALPS: Your French home in the heart of Europe. Call Agence Lohmann on (01528) 55211

ALL FRANCE "The House" Now hot colour magazine 100m of French property. For free copy tel. 0171 386 7540 fax 386 5152

COUNTRY PROPERTY

OXSHOTT - SURREY: Magnificent 5 bedroomed home with 4 bedrooms, 4 reception rooms and 3 garages with substantial space over. Electric security gates, private Cul-de-Sac. Last remaining property on this exclusive development by Lovell Homes. 1/2 mile from station. Westwood 30 mins £279,950 Freehold

Contact: Roy James Fanc 01372 466636 or Thatchard Adzide 01372 943833

RETIREMENT

SPREADING OUR WINGS

Wherever you are looking to retire, our English Country developments are to be found across southern England from Kent to Devon and from Buckinghamshire to the edge of the Cotswolds. From the quiet of the countryside or the bustle of the market town - the choice is yours. But however much you may enjoy the tranquillity of rural England, you need to have easy access to public transport or the motorway.

English Country sites are chosen with this in mind. Prices from £95,000 to £235,000. To find out more about our properties in Midx, Oxon, Somerset, Wilt & Bucks, please ring us for a brochure.

English Country Association 8 Holland Street, London W8 4LT FREEPHONE 0800 220858

QUINTA DO LAGO, ALGARVE

Home in One. A selection of Studio, 2 and 3 bedroom apartments now under construction at the exclusive São Lourenço development on the famous Portuguese resort of Quinta do Lago. Also 3 bedroom terrace villas at Lakeside Village for completion in Spring '96. Limited golf memberships available. For details of these Bovis developments please call our appointed agents on FREEPHONE 0800 960704.

Agents on FREEPHONE 0800 960704.

For details of these Bovis developments please call our appointed agents on FREEPHONE 0800 960704.

Limited golf memberships available.

For details of these Bovis developments please call our appointed agents on FREEPHONE 0800 960704.

Agents on FREEPHONE 0800 960704.

For details of these Bovis developments please call our appointed agents on FREEPHONE 0800 960704.

Limited golf memberships available.

For details of these Bovis developments please call our appointed agents on FREEPHONE 0800 960704.

Agents on FREEPHONE 0800 960704.

For details of these Bovis developments please call our appointed agents on FREEPHONE 0800 960704.

Limited golf memberships available.

For details of these Bovis developments please call our appointed agents on FREEPHONE 0800 960704.

Agents on FREEPHONE 0800 960704.

For details of these Bovis developments please call our appointed agents on FREEPHONE 0800 960704.

Limited golf memberships available.

For details of these Bovis developments please call our appointed agents on FREEPHONE 0800 960704.

Agents on FREEPHONE 0800 960704.

For details of these Bovis developments please call our appointed agents on FREEPHONE 0800 960704.

Limited golf memberships available.

For details of these Bovis developments please call our appointed agents on FREEPHONE 0800 960704.

Agents on FREEPHONE 0800 960704.

For details of these Bovis developments please call our appointed agents on FREEPHONE 0800 960704.

Limited golf memberships available.

For details of these Bovis developments please call our appointed agents on FREEPHONE 0800 960704.

Agents on FREEPHONE 0800 960704.

For details of these Bovis developments please call our appointed agents on FREEPHONE 0800 960704.

Limited golf memberships available.

For details of these Bovis developments please call our appointed agents on FREEPHONE 0800 960704.

Agents on FREEPHONE 0800 960704.

For details of these Bovis developments please call our appointed agents on FREEPHONE 0800 960704.

Limited golf memberships available.

For details of these Bovis developments please call our appointed agents on FREEPHONE 0800 960704.

Agents on FREEPHONE 0800 960704.

For details of these Bovis developments please call our appointed agents on FREEPHONE 0800 960704.

Limited golf memberships available.

For details of these Bovis developments please call our appointed agents on FREEPHONE 0800 960704.

Motoring / Stuart Marshall

The plusses of 4x4s

People who live in towns and buy on-off road vehicles rarely, if ever, take them off the Tarmac. They have no idea how beneficial all-wheel drive and low-ratio gears can be when the going gets really tough.

City and suburban off-roads, with their menacing potholes, are lifestyle purchases. They are even being equipped with deformable - and, one hopes, more pedestrian-friendly - bull-bars made of plastic. They must be about as useful as the mock hood trims that used to decorate fixed head coupes years ago.

But, as anyone lucky enough to have been driving, say, an Audi quattro or Subaru Legacy in the wintry spells last month will know, all-wheel drive is a pearl beyond price when roads are covered with a couple of centimetres of snow. Spreading the engine's power among four wheels does wonders for traction because the less power a tyre has to transmit, the more likely it is to grip and not spin uselessly on a slippery surface.

As Jensen discovered nearly 30 years ago with its FF (and Audi rediscovered 15 years later with its first quattro turbo-coupe), all-wheel drive makes very powerful cars much easier for ordinary mortals to handle.

Harry Ferguson revolutionised agriculture half-a-century ago by mounting tractor ploughs on hydraulic linkage instead of trailing them behind, as in the days of the horse. He thought the car industry would fall over itself to adopt his next great idea, four-wheel drive transmission.

Jensen apart, there were no takers. Even now, 4x4 versions of normal road-going cars are a minority choice - unless you happen to live in the Alps or the Scottish Highlands.

However, having experienced a 4x4 car's superior traction and handling balance, many users are reluctant to go back to simple front or rear wheel drive. Soon they will have more cars to choose from. Ford, first of the high-volume, popular-price European manufacturers to get involved with all-wheel drive on road-going cars, has added a pair of 4x4s to its Mondeo range.

Prices of the 2-litre, 15-valve engine 5i and Ghia 6-door hatchbacks and estates are between £18,210 and £18,585. As they cost only £1,000 more than the front-wheel drive versions, they look very good value indeed. Their transmissions are electronically controlled and automatically allocate engine power to the tyres with most grip.

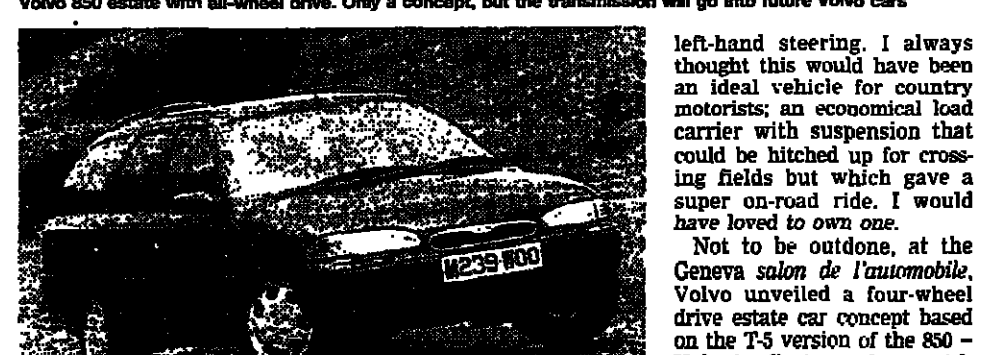
In July, Audi will launch the first quattro versions of its direct-injection diesel engine A6 saloons and Avant estate cars in Germany. They will cost from about DM61,250 (£27,850) and DM65,450 (£29,750) respectively. UK sales will not start until the last quarter of 1995.



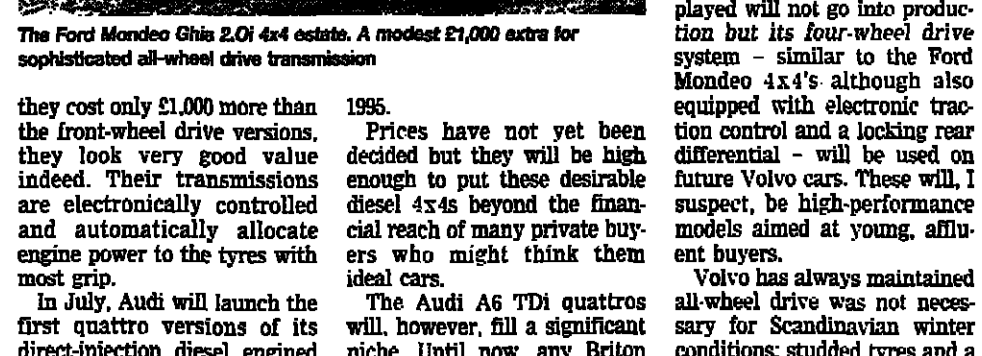
Audi A6 Estate 2.5 TDI 140 quattro. The first road-going four-wheel drive with an economical diesel engine



Volvo 850 estate with all-wheel drive. Only a concept, but the transmission will go into future Volvo cars



The Ford Mondeo Ghia 2.0i 4x4 estate. A modest £1,000 extra for sophisticated all-wheel drive transmission



The Audi A6 TDI quattro will, however, fill a significant niche. Until now, any Briton seeking four-wheel drive and a diesel engine has - like it or not - had to have a high-slung, on-off road vehicle. Citroën used to make a diesel 4x4 estate - but only with

left-hand steering. I always thought this would have been an ideal vehicle for country motorists; an economical load carrier with suspension that could be hitched up for crossing fields but which gave a super on-road ride. I would have loved to own one.

Not to be outdone, at the Geneva *salon de l'automobile*, Volvo unveiled a four-wheel drive estate car concept based on the T5 version of the 850 - Volvo's first product with front-wheel drive. The car displayed will not go into production but its four-wheel drive system - similar to the Ford Mondeo 4x4's although also equipped with electronic traction control and a locking rear differential - will be used on future Volvo cars. These will, I suspect, be high-performance models aimed at young, affluent buyers.

Volvo has always maintained all-wheel drive was not necessary for Scandinavian winter conditions; studded tyres and a self-locking differential were good enough. But the 850 4x4 is not so much a U-turn as a re-think to let Volvo compete in a performance-oriented market it used to ignore.

TRAVEL

The rainforest and the relics of a colony

Twenty years after his first visit, Jimmy Burns returns to Belize, centre of the ancient Mayan culture, and finds a multi-racial country full of tangible surprises

In the mid-1970s, I travelled as a student by bus through the forests of Central America and out to one of the Cays, or Caribbean islands, off Belize — then British Honduras.

I lived for a month and a half in a bamboo beach hut which I rented for \$5 a week, drank a lot of rum, and ate a lot of lobster before hitching a lift back to the mainland with a fisherman. He was a Rastafarian who fished little, and smoked a lot of ganja and when it came to offering comments on the gathering breeze, predicted a very special hurricane. "Man, take a smoke of this, and we'll float all the way," he said. We did.

Returning to Belize, 20 years later, a rather different host was on offer, in the person of Albert Thomas III, alias Captain Tom, a hulk of a naturalised Belizean who had quit his construction business making prison cells in Oklahoma and turned mariner for fun and money.

He had declared his 52ft yacht a "zero tolerance zone" — no drugs trafficked or consumed. Instead, passengers were invited to play Hemingway or Cousteau, fishing big or diving deep into the translucent waters to gaze at a kaleidoscopic array of coral and tropical fish along the world's second largest barrier reef.

Captain Tom handed me a bottle of rum and a plate of marinated fish chunks before steering his boat with his left foot. "New Yorkers who come here for a holiday are all tensed up and stay that way. They miss the point. This place is to relax in. I do relaxation for a living," he said.

The coast of Belize and its cays are all white sand and golden palm trees and tastefully constructed holiday villages — your idea and mine of a Bacardi advert, except the rum here, smooth and addictive, is called Caribbean.

That day the world looked and felt even better below water. With my snorkel and flippers, I created a necessary space for myself in the passageways of the coral reef. My

childhood fantasy of plunging into the aquarium at London Zoo was realised, as I allowed myself to drift among the brilliant yellows and blues of the parrotfish and snappers and the wafer thin sea fans swaying before the current.

Back on deck, I told Captain Tom I had spotted a "Made in England" anchor rusting on the ocean bed. That, together with a red pillar box and a hut called the Pickwick Club, which I had come across on the mainland, just about summarised the legacy of British colonial rule 14 years after independence.

He talked instead about the frontier spirit of his fellow Americans, and the predatory Californians building houses on the beach. This one-time British colony risked fast



becoming an American colony, although any development would be carefully controlled, he assured me.

If my only human encounter with Belize had been Captain Tom, I think I would have become weary of the place. Making a living out of relaxation, spoken his way, smacked of Palm Beach rather than Paradise. It seemed a far cry from the tourist poster board: "Welcome to Belize: The Earth as the Earth should be."

Captain Tom, however, came at the end of a six-day trip during which I experienced the variety and generally unspoiled beauty of the country: a tropical paradise little bigger than the state of Massachusetts

with a population of 200,000. Belize city seemed much as I had last known it, grubby and rather seedy with its junk heads slouched under wooden huts built on stilts, and a privileged zone of well-kept lawns and colonial houses for the rich and powerful. The town has no traffic lights, so one drives by instinct.

I slept the first night near the beach, among palm trees and pelicans, far from the city centre in a hotel that had accumulated some of the more idiosyncratic characteristics of this former British colony.

The bell boy was a former Franciscan monk who had lost his vocation after failing the celibacy test on the Guatemalan border. Santino Castillo had been more successful. A local businessman, ranch owner and chairman of the tourist board, he played lead singer in a local band, when not breeding rottweilers and Arab stallions.

That first night, local Belizeans and off-duty British soldiers (the UK retains a token training force) danced their souls out as Santino's Messengers played reggae and salsa in the hotel's Calypso Club. Some of the soldiers had been hanging around the hotel most of the day, drinking beer. They drank beer for much of the night too. In the Calypso they rubbed themselves against the backs of their partners, doing the local "donkey" dance.

The next day, I motored by river boat through dense mangrove where the termite nests hugging the tree barks looked like gorillas. Crocodiles perched on the banks. Giant roots, twisted and contorted, rose out of the water. Tropical birds of every size and colour scattered into the forest.

By truck and foot I humped over endless dusty trails, ever deeper into the tropical vegetation, guided on different days by two Belizeans who believed in ancient gods and healing plants. One of them, Edward, a one-time Mexican footballer turned horticulturist, warned me of a snake, the poison of which could kill within four hours. "My cousin cut his arm



Belize city: in this multi-cultural town you get by on instinct

off with a machete to save himself after being stung," he said.

Barring snake bite — and one particular species of poison tree that provoked a rash — one was in safe hands in the rain forest. So I was told by Alvin Smith, the other guide, a father of 23 children and an expert herbalist thanks to his great-grandmother, a descendant of the early slaves.

"I don't need a book to understand this forest," said Alvin as he led me along the medicine trail with his walking stick. "It has all been passed down to me."

Thanks to Edward and Alvin, I discovered in the forest remedies for every human ailment and weakness: leaves

for blood clots and dysentery, roots for unwanted pregnancies and impotence; the raw material for medicine cupboards around the world; and the hope for cancer cures, AIDS sufferers, and body care shops. Spices too.

I tried a piece of *palo de hombre*, a hideous but chewable bark locally renowned for turning wimps into supermen. Its urinary taste played havoc with my stomach, requiring instant first-aid in the form of a glass of rum and a hot chili.

In the forest, we went searching for the jaguar. In Belize the jaguar has become the feline equivalent of El Dorado. However much you look for him, you cannot find him.

Humans have scared him off. Jungle trails threw up more tangible surprises in the form of Mayan ruins. Today, Belize is a multi-racial country: Creoles, Mestizos, Spaniards, Indians. But it is thought that between 550AD and 900AD, long before the English loggers and the Spanish conquistadores came, the area which is now Belize was populated by 2m Mayan Indians, making it the centre of the Maya empire which spread across Central America.

Unlike neighbouring Mexico and Guatemala, Belize's archaeological discoveries are far more recent. Earnest looking American students with machete-wielding locals

are digging, discovering, and restoring all over Belize.

Although Caracol has been dubbed the supreme Mayan city by tourist authorities, I found Xunantunich, a few miles from the Guatemalan border, easily the most impressive: a tropical equivalent of Machu Picchu. A large ceremonial pyramid rises out of the deep undergrowth to give those who climb it a spectacular view of the lush tropical forests of the Cayo district.

The magic of the Mayan culture pervades Belize, giving a spiritual undertone to some of its more impressive geological sites. One afternoon, as the sun set, Edward led me to a huge limestone cave where the

gods of the underworld are said to have presided over ceremony and sacrifice. He spoke of virgin princesses and the blood of umbilical chords washed in the river that passed through it.

"When I come here, I go back in time, become timeless," said Edward. "The limestone had retained its own images, cadaverous shapes gazing down at water, which, mixed with red clay, had turned blood red. It seemed a universe away from Captain Tom."

Jimmy Burns flew to Belize from London via Miami on American Airlines on a tour organised by Silk Cut Travel (Reservations and brochure inquiries: 01730-266561).

HOLIDAYS & TRAVEL

Because life's too short.

Our Mini Clubs make sure your kids have a holiday too. Phone 01635 565065 for a brochure.

Club Med. Because life's too short.

FLIGHTS

NEW KNOCK OUT FARES

to **SWITZERLAND**

on regular Swissair flights

Contact your travel agent or call us now on: 0345 - 662233

swissair

Offer available until 30 Apr 95. Outbound travel between 19 Apr and 30 Jun 95. Other restrictions apply. Taxes not included.

FINANCIAL TIMES

Whites care is taken to establish that our advertisers are bona fide, readers are strongly recommended to take their own precautions before entering into any agreement.

Freight flyer TRAVEL CLUB

ALL DESTINATIONS IN EUROPE

Amsterdam	£120
Birmingham	£120
Bristol	£120
Cardiff	£120
Edinburgh	£120
Glasgow	£120
London	£120
Manchester	£120
Newcastle	£120
Nottingham	£120
Sheffield	£120
Southampton	£120
Stoke	£120
Toronto	£120

0171 493 0021

air affair

THE NUMBER 1 AGENCY FOR ECONOMY, FIRST & BUSINESS CLASS TO THE USA AND FAR EAST

ENORMOUS SAVINGS ON ANY ROUTING FOR THE BUSINESS AND LEISURE TRAVELLER

CALL US NOW ON: 0171 486 3895

FAX: 0171 224 3538

144 MARLBORNE HIGH STREET LONDON W1M 5PD

GERMAN

Berlin	£133
Bremen	£112
Cologne	£84
Düsseldorf	£84
Frankfurt	£84
Hamburg	£84
Munich	£112
Nuremberg	£112
Paderborn	£112
Stuttgart	£112
Leipzig	£112

0161 429 2900

SPECIAL INTEREST

SINGLE? DON'T HOLIDAY ALONE.

Join a group of like minded professionals in the sun drenched Red Sea (diving available) April & May. South Africa May & many other exotic locations. Companions Worldwide

01628-826983 ABTA DC134.

Marco Polo Experience

Treks & Expeditions

Karatu - Hindustan - Silk Routes

0171 734 1059

A&K Abercrombie & Kent

LAST CHANCE TO CRUISE THROUGH HOLLAND'S TULIP FIELDS ON A LUXURIOUS RIVER YACHT

Drift through an evocative landscape of tulips and windmills, and visit some of Holland's most famous sights and cities.

3 and 6 night cruises on Marjorie, one of Europe's finest river yachts, now available from £540.

Call Graham Mumford on Abercrombie & Kent's Europe desk, Tel: 0171 730 9600, for information and reservations.

INDIA

A week's tour of Delhi, Agra, Jaipur & Bombay, plus a week in Goa

14 nts **£699**

14 nights **GOA** DONA ALICIA **£389** CIDADE DE GOA **£489**

29 Apr - 20 Aug

Suppl. 23 Jul - 6 Aug £68

Bookings Conditions Apply

HAVES and HARVEY

Call your travel agent or 0181-748 5050

CITY BREAKS

Paris & Brussels in a flash by EUROSTAR

City breaks through the Channel Tunnel now featured in our exciting 1995 brochure available by return. Write or phone

TIME OFF

Freeport

London SW1X 7YY

0171-235 8070

HOLLAND

CONCORDE TO BARBADOS

July and August flights now available.

Fly Concorde and spend 7 nights or more at one of eight luxury hotels from **£1895 to £3295**

Full details in our 16 page Concorde brochure

Elegant Resorts

01244 329671

24 Nicholas Street, Chester

APRIL 95 - SEPTEMBER 95

CARIBBEAN

MONACO

MONACO. 1 bed apt (pools) 41 stunning views, private pool, 15 min walk from Casino Square. Tel: 01983 812184 Fax: 01983 812342.

FRANCE

HYERES - Mont des Olives. Panoramic Mediterranean Sea Views. 4/5. Pool. Table tennis. £500-800 per wk. Tel: 01983 812184. Fax: 01983 812342.

SKIING

SKING We still have traces of snow in the Chamonix Valley. Stay at our Lodge, local equipment or hire. Sit with the Locals. Short breaks or speciality. Good prices on scheduled flights. Lifts open until May 10. Telephone 01987 84404.

INDIA

A week's tour of Delhi, Agra, Jaipur & Bombay, plus a week in Goa

14 nts **£699**

14 nights **GOA** DONA ALICIA **£389** CIDADE DE GOA **£489**

29 Apr - 20 Aug

Suppl. 23 Jul - 6 Aug £68

Bookings Conditions Apply

HAVES and HARVEY

Call your travel agent or 0181-748 5050

SAFARIS

SAZENOVE & LOYD SAFARIS

On Friday I awoke to the shrill sound of my alarm clock. On Sunday, in the soft light of dawn, it is the haunting cry of the African Fish Eagles.

Who'd have thought it?

TEL: 0171 376 3746

TANZANIA

The snows of Kilimanjaro, the lions of Serengeti, the spices of Zanzibar and the white sandy beaches of the Indian Ocean.

Phone 0181-553 6636 anytime to discuss your ideas for your holiday.

CORDIAL TOURS AND TRAVEL SERVICES

The Tanzania specialists for the independent traveller.

VILLAS

FARMHOUSE BY THE SEA

Tuscan coast, monte Argentario, almost an island. Marvellous sea views. 5 min walk down to unspoilt beach. Tel: 0181 994 2956 Fax: 0181 747 8343

IRELAND

The Irish Selection

offers motoring holidays staying in a choice of delightfully hospitable hotels, castles and farmhouses.

For brochure phone 0171 245 0055 ABTA

IRISH CYCLING SAFARIS.

One week tours for cyclists of all abilities. Bikes, luggage van and accommodation provided.

For our brochure contact, 7 Derry Park, Dublin 6. Ph 010 3531 2600749.

Tim Best Travel

Botswana, Kenya, Namibia, South Africa, Tanzania, Zambia and Zimbabwe. Traditional tented and lodge safaris on foot or by vehicle, riding, canoeing, golf in the sun, the wine route, relaxing at the coast.

68 Old Brompton Road, SW7 3LQ

Tel: 071 591 0300 Fax: 071 591 0301

ZIMBABWE

TANZANIA BOTSWANA ZAMBIA & NAMIBIA

TAILORMADE SAFARIS

Luxurious remote lodges. Walking, canoeing, riding and vehicle safaris with the very best guides. Superb wildlife. Adventure with comfort. Call us to create your ideal safari. Phone John Burdett on 0204 28979

AFRICA EXCLUSIVE

Hamilton House, 66 Palmerston Rd, Northampton, NN1 5EX.

PORTUGAL

Italian Travel Feature

April 22nd 1995

Escape to Italy with the Weekend FT. From the sophistication of Rome to the beautiful countryside of Tuscany, let the Weekend FT open your eyes to the wonders of Italy.

For further information, please contact: Alison Pinn

Tel: 0171 873 3576 Fax: 0171 873 3098

سكرا من الاميل

TRAVEL

Flying on a drink and a prayer

Farrol S. Kahn on the cures available to sufferers from aerophobia

Drinking is one of the many ways of coping with the fear of flying. "I know of Icelanders who begin to drink at 6am on a flight," a local psychiatrist told me in the bar of the Loftleidir Hotel in Reykjavik over coffee, "when it is customary for them to drink only socially in the evening. They hardly ever touch alcohol at lunch."

Dr Birirur Orn Arnarson, of the Department of Psychiatry at the University of Iceland, has been concerned with aviation psychology for 15 years. In collaboration with Icelandair he runs "Enjoy Flying" courses to treat passengers suffering from aerophobia, a condition that can recur after treatment and be contagious. In the case of a fearful flyer, his wife and children can be affected.

Aerophobia is a complex anxiety disorder and stems from six different types of distorted thinking (see panel, right). It can afflict anyone from stuntmen to pilots, the majority of whom tend to be either perfectionist or slightly obsessive, and in the case of men, over-achievers. Aaron Spelling, the producer of television programmes *Dynasty* and *Beverly Hills 90210*, and David Ogilvy, founder of Ogilvy and Mather, are among this group. Paul Getty was so aerophobic that he delegated all his flying to a colleague.

The biggest giveaway of nervous passengers is their tendency to clutch the armrest of the seat on take-off and consequently they have been dubbed the "white knuckle brigade". They are probably unaware that their grip is a re-enactment of the Moro reflex - a clutching response of the hands and feet that babies show soon after birth when they sense they are falling.

Fear of flying affects more people than other phobias. It has reached double figures and could be as high as 44 per cent in the US. Of all anxieties encountered by Americans, it

ranks second only to public speaking. Iceland is a good country to study the condition because its population is so dependent on air travel. There are no rail-ways, and roads can be closed for long periods during winter. With a population of 250,000, Icelanders on average make two domestic flights a year and 20 per cent fly internationally. In a recent survey conducted on the fear of flying in Iceland, 17.7 per cent said they were always afraid. The phobia was more common in the middle-aged than in the young and more common among women than men (25 per cent and 9 per cent respectively). About 10 per cent of the population does not fly because of fear and

The nearest airlines come to nursing care today is the massage service provided by Virgin

another 8 per cent experiences extreme discomfort when strapped into seats.

Surveys in other Nordic countries reflected similar results - 25 per cent of the people in Sweden and 22 per cent in Norway were always afraid of flying.

The main reason for their anxiety, which accounted for an average of 50 per cent, was the fear of mechanical failure. This was followed by inability to control the situation, fear of heights and, lastly, fear of enclosed spaces.

In a breakdown of the phases during which air passengers experienced degrees of discomfort, there were few surprises. Flying in bad weather produced the greatest apprehension and fear of take-off was

second. But there was an interesting variation between the sexes. Men reported more discomfort on take-off while women experienced this when flying in bad weather.

The respondents also reported a variety of physiological reactions when confronted with the prospect of flying or during flight. These included tense muscles, changes in heart rate, sweaty palms and trembling hands and knees.

What aerophobia represents to airlines is lost revenue. Boeing has estimated that it accounts for a 9 per cent loss of ticket sales. However, surveys suggest this may be on the low side.

There is also a new trend in the 1990s for 50 per cent of fearful flyers to develop their fear while flying compared to the 1970s when the majority had never flown.

Aerophobics would be inclined to take two-thirds fewer trips than people who are not afraid, costing the US travel industry more than \$1bn in potential annual revenue, according to Boeing.

Treatments for aerophobia abound. There are pharmaceutical remedies, behavioural and stress therapies, as well as relaxed flyer courses.

The most obvious thing to do is to reach for a drink or swallow a tranquilliser. A businessman I know, desperate to find a solution, used to resort to both alcohol and tranquillisers. He argued that he could not admit to such a weakness and if he did, he might fail to obtain promotions or lose his job. I explained that this was a short-term solution and dangerous because the lack of oxygen of the pressurised cabin increased the potency of drugs. He was not convinced but changed his mind when I told him that it was illegal to be drunk on an aircraft.

What I recommended was a course of de-sensitisation which was undertaken by a chartered clinical psychologist. Here the participant's fear is gradually overcome through

The six causes of aerophobia

1. Fear of heights
2. Claustrophobia
3. Space phobia - when someone is terrified by the idea of being surrounded by a void
4. Panic-related anxiety in which a person fears he or she may experience a heart attack, go crazy or lose control with no means of escaping the aircraft
5. Such fears as the fear of crashing because of bad weather, mechanical failure or a terrorist bomb
6. Post-traumatic reactions following an emergency landing or acute ear problems, for example

repeated exposure to the object or situation in the mind and in reality. This behavioural technique is also available in some areas of the National Health Service.

Some airlines run relaxed flying seminars. The sessions, which can be spread over a day or two, involve subjects such as relaxation training, cognitive theory, aerodynamics, meteorology and are capped by a graduation flight. Essentially, they can vary from behavioural concepts, such as de-sensitisation, to the cognitive approach whereby passengers are encouraged to change the way they process information and beliefs about flying.

Although the treatment is successful, there are disadvantages, as it is time-consuming and is geared to deal with small numbers at a time. Lufthansa, which has run courses since 1981, has helped only 4,000 people. The same is the case with other airlines.

To some extent the industry has an ambivalence towards the problem in spite of the re-



The mannish jackets, "showers" caps and flowing capes of these United Airlines flight attendants set a style that lasted for three decades

venue loss. Aerophobia is seen as a negative element in airline marketing and is not something they want to publicise. Passengers too are reluctant to reveal their fear and to attend a course to overcome it. In Iceland, only about 50 per cent of fearful flyers expressed an interest in taking remedial measures.

At the heart of the matter is the fact that relatively little is known about flying phobias.

But one element that worked well during the days when flying was in its infancy could well make a contribution today. Steve Simpson, a manager at United Airlines, was a man of vision when he proposed the use of pretty nurses on board Boeing 247s in 1930.

These early flight attendants allayed the fears of the intrepid pioneer passengers at a time when air travel was a potentially fatal pursuit, as the flimsy aircraft tended to crash easily, or lurch from air pocket to air pocket, making airsickness commonplace.

Simpson's great psychologi-

cal punch, as he termed it, would take care of both fear and airsickness: the fear by having young females on board, and the sickness by their nursing experience.

The first stewardesses wore double-breasted jackets and skirts and once on board donned white nurses' uniforms. If all the 12 seats were taken, they sat on mailbags or suitcases.

Sixty years later, regardless of technological improvements, passengers are still apprehensive. But the nearest airlines come to nursing care is the massage service provided by Virgin for its upper class passengers.

Michael Edwards, a veteran car collector from Oxford, overcame his fear of flying in a way any of us could emulate. His fear stemmed from the days when he learned to fly a Chipmunk at the age of 17. On the way to his lesson one day, he discovered that the Chipmunk had nose-dived into a field not

far from the airport. This was sufficient to turn him into a flying phobic.

However, over the past two decades he has managed to overcome his apprehension through a novel technique. "I board books or articles that I'm dying to read for the occasion when I have to fly," he explains.

"As soon as I'm on board I fasten my seat belt and begin reading. During the flight my preoccupation is so complete that when I next notice, the aircraft has landed."

My own method of air travel - flying healthy - tends to run contrary to the latest technological developments. I seek to reduce the physiological and psychological challenges by limiting the period spent in the air and avoiding crowds on the ground. Therefore I choose to fly from regional airports rather than from main hubs and opt for stop-overs rather than non-stop flights.

On board, I tend to avoid high-tech entertainment systems or office facilities and

treat this period as time-out for relaxation and creative activities. Such an approach has made my experience of flying a positive one for it is less stressful and exhausting and I can indulge in the exhilaration of the event itself.

And this is how I came to be in Iceland. The country is in a good position to be a stop-over on one of the world's busiest air routes, the North Atlantic, for it is two hours from mainland Europe and five hours from North America.

The excitement of this discovery was short-lived when I found that I had been pipped at the post by a member of the British royal family. The Duke of Edinburgh regularly uses the country as a stop on his transatlantic trips. Whenever Prince Philip arrives, it is his custom to call on the air traffic controller to join him for a cup of coffee and pancakes.

Farrol Kahn is the author of *Arrive in Better Shape* published by Thorsons, £4.99. He has set up the *Aerian Health Institute* in the UK.

GREECE

LAND OF DREAMS

In Greece it's enough to take a moment and gaze down a side street to let your mind wonder off. The scenery looks as though the colours came off a painter's pallet and so they speak straight to your heart. Go a step further and explore these real life pictures to their full extent. The experience will make your heart beat!

OLYMPIC
THE NATIONAL AIR CARRIER

GREEK NATIONAL TOURIST ORGANIZATION
LONDON: 4 CONDUIT STREET, LONDON W1R 0DJ TEL: 7345897
FAX: 2871389 PARIS: 3 AVENUE DE L'OPERA, PARIS 75001 TEL: 42808575 FAX: 42801029 MINTEL: 3515 GRECE TOKYO: 42808575 FAX: 2-11-3 AKASAKA, MINATO-KU, TOKYO 107
JAPAN TEL: 35055911-35055948-35890467 TELEX: 2427247
GRT-J, FAX: 35890467

GREECE
Makes your heart beat!

7 islands from only £995* with Britain's favourite Caribbean fly-cruise ship.

Cunard Countess, that great favourite with British holiday makers in the Caribbean. They feel at home on a medium-sized ship with an informal atmosphere. You will too.

An exclusive Cunard flight will carry you direct to San Juan to board Cunard Countess on the same day, with luggage checked in at Gatwick or Manchester delivered right to your cabin.

Waiting to welcome you will be Cunard Countess's

experienced British Officers and friendly international crew. Now relax and enjoy the fun as you cruise to explore the best of the Caribbean.

And yet these fabulous holidays cost from only £995* for an 8 night cruise to 6 or 7 islands and from only £1545* for a 15 night cruise to 11 islands. Prices include return flights, meals, entertainment and even tips for restaurant waiters and cabin staff.

Come and join the favourite very soon.

Cunard.
We make all the difference.

See your travel agent or call the Cunard Brochure line: **081 466 4060**
quoting FT/CCB. Reservations and enquiries: 01703 634166

CUNARD

Cunard, South Western House, Canute Road, Southampton, SO14 3NP
*Port and handling charges currently: 8 nights, £71 extra 15 nights, £92 extra A101241

SPORT

Golf/Derek Lawrenson

The young Tiger burns bright in Augusta



Tiger on the prowl: Eldrick Woods, 19 years old, who plays in the Masters this weekend

The usual suspects were rounded up for interview at Augusta National this week. Nick Price, looking to win his third major championship in a row, Nick Faldo, the pre-tournament favourite, Jose Maria Olazabal, the defending champion, Jack Nicklaus, because Wednesday would not be Wednesday at the Masters without the Golden Bear's thoughts on golf, life and the universe.

Then there was Eldrick Tiger Woods, a household name in America three years before he will turn professional. Woods would have been a good tale this week for just his golfing achievements, or for the fact that he was a black teenager playing Augusta, a course that was once a bastion of racism. But put the two together and everyone wants a word.

Minority groups are not well represented in golf and the sport is somewhat embarrassed by the fact. Four years ago at the PGA Championship in Shoal Creek, Alabama, the chairman of the club, Hal Thompson, was asked why they had no black members. "I don't think it would be appropriate do you?" he said smugly. The remark caused a furore.

Now every club that hosts either a major championship or a US tour event must have at least one black member. Even Augusta National, which usually does the dictating, was forced to toe the line. They did not go overboard of course. They found a wealthy media-type and

invited him to join and to date he is still the only black member.

Professional golf remains a white man's domain. No black golfer has come close to winning a major championship. Interestingly, many of the sport's leading protagonists have come from poor backgrounds - Lee Trevino and Severiano Ballesteros instantly come to mind - which devalues the argument that blacks are priced out of the sport.

Eldrick Woods is a household name in the US three years before he turns professional

But with no heroes to inspire and no tradition of playing the game, the sport has always appeared beyond either the desires or the aspirations of black people. Enter, then, Tiger Woods. No wonder Tom Watson calls him the most important golfer to emerge in the last 50 years.

It is important to state that there is no positive discrimination going on here. Woods' cv contains a list of achievements that have outstripped similar prodigies such as Jack Nicklaus at the same age.

There is a touch of charisma about his golf as well. Last year he won the US Amateur Championship

(the reason he is at Augusta and will be at Shinnecock Hills for the US Open and St Andrews for the Open) in spite of trailing by six holes at one point.

But it is his background that is going to be an eternal source of fascination as well. His father, Earl, was a green beret, his mother is from Thailand and the former's intense regret at not taking up golf until the age of 42 instigated an extraordinary programme of teaching his son to play the game almost before he could walk.

There is an amazing sequence of photographs of Woods swinging the club at the age of three. The backswing is on the correct plane; the hip movement is spot on; even the drive through the hitting area makes few concessions to his lack of body strength. It is hardly surprising then, that 17 years on Woods' swing is a thing of elegance and beauty. He is taught now by Butch Harmon, a Texan who works with Greg Norman among others. Woods senior did not simply introduce him to the physical nature of the sport. He taught him all about its psychology. He used his military experiences to harden his son mentally to the point where Woods regarded six down in the final of the US Amateur not as a lost cause but the prelude to a memorable victory. By the time he was 15 he had appeared on five prime-time shows across America, been presented with a trophy by Sam Snead and teed up with Norman, Nicklaus and John Daly.

All this and now Augusta too. The media interest has heightened to the point where this month he is on the front cover of *Continental Airlines'* in-flight magazine. *Sports Illustrated* ran 11 pages on him. Only Michael Jordan currently commands more sporting column inches.

On Wednesday, Woods gave his first Augusta interview when 300 white faces stared back at him. It was a remarkable performance, full of self-assurance, wit, and the touch of arrogance he is going to need if he is to fulfil everything expected of him.

"I am comfortable being a role model. It is quite an honour," he said. Some people thought it was all a bit too calculating.

"Anything take your breath away at Augusta?" one exasperated questioner asked.

Woods was up to it. "Yes, playing 36 holes in a day on Monday," he replied.

He then spoke touchingly about the achievements of his fellow Stanford University students. "One is dissecting DNA. Another in the same form is beyond calculus." None got to sit in front of a world-wide audience at 19 and make headlines around the globe.

Who would have thought it? The two best young players in America and one is black and the other, Phil Mickelson, belongs to the other, practically non-existent group, the left-handed professional. But Mickelson, as they say, is another story.

Soccer/Peter Berlin

The blazers – mobilising for war

You see them at important soccer matches, standing in uniformed ranks, hands clasped behind their backs, chests displaying the hard-won crests on their breast pockets. These are the administrators, the international committee-men, the men who run soccer.

There is a tendency to think of anyone in a blazer as a buffer, a time-server along for the five-star ride. Do not be fooled. The sheikhs of soccer may be old but they are rarely dodderers. When you see the officials of Fifa or Uefa in the great stadia, looking down on crowds assembled at a time and place of their choosing, think of them as 19th century emperors and archdukes. All they lack is a little more braid.

The blazers are mobilising for war. At stake is control of the increasingly lucrative soccer fixture list. They are prepared to sacrifice the most promising young athletes of this generation: highly-paid mercenaries who will pay with snapped ligaments and shortened careers. This is the battle of the wounded knees.

The objective is to control more of the matches the top stars play. To do this the blazers are busy enlarging tournaments under their

control or launching new competitions. This gives them greater leverage with sponsors, broadcasters and other federations lower down the ladder.

Life is growing tougher for the top professional. Many players barely had a break last summer between the end of the World Cup on July 17 and the pre-season tournaments that top European clubs play in early August. They then faced league and domestic cups and European competitions for their clubs as well as European qualifying matches for their countries, which are often scheduled for June.

Many will have played 60 matches this season; some could pass 70. This year Fifa, world soccer's governing body, scheduled the Intercontinental Cup for the weeks when most European countries take a winter break and Uefa, which runs European soccer, has upgraded the Intertoto summer cup. This will start on June 24, and end on August 2, just six days

before the start of the Uefa Cup qualifying round.

The Intercontinental Cup is an example of the logic of these proliferating competitions. It was founded by the Asian Football Confederation in 1992 and held in Saudi Arabia, where the hosts underwrote it. The participants are the international champions of every continent plus Saudi Arabia.

Fifa runs only the World Cup and a series of age-group tournaments. It jealously guards the pre-eminence of the World Cup. Fifa officials admit that it decided to bless the Intercontinental to ensure that it was under control and not a potential rival.

Denmark, champions of Europe won the tournament, beating Argentina to collect the first prize of around \$1.5m (£930,000) to go with their appearance money of \$500,000. But the true value of the cup lies in its appeal to soccer's traditionally disadvantaged continents. Africa has one place at the

Intercontinental, the same as Europe. Asia, as host, has two. The votes of Asia and Africa helped Joao Havelange take and keep the Fifa presidency.

To the charge that the tournament only increases the number of games for top players, Fifa replies that it falls in Europe's winter break and summer is the time for players to rest.

The competition also helps to remind national federations that a Fifa tournament must take precedence. The fact that it is meaningless only serves to drive the point home.

Uefa has been the source of most opposition to Havelange's rule. The recent changes to the map of Europe have increased the size of the European voting bloc but they have also diminished the appeal of Uefa's most lucrative competition the European Champions' Cup, by cluttering it with the champions of poor, unglamorous nations.

Scared by the threat of a break-

away club superleague, Uefa has spent the last few years tinkering with the Champions' Cup to make it more attractive to big clubs, sponsors and broadcasters by maximising matches played by the champions of Germany, Spain, France, Italy, Portugal, the Netherlands, Sweden and England, where the revenues are greatest.

Uefa banished teams from eastern and southern Europe to the Uefa Cup and fiddled with the seeding.

Uefa tidied up the European Cup by shovelling the Moldovans and Finns into the Uefa Cup. Now it has turned its attention to increasing the western European participation in this competition without alienating voters in the Fifa election. One answer is the Intertoto Cup.

The Intertoto Cup was founded by continental pools companies in the 1960s to give them something to put on their calendars in summer. It has limped along since, drawing

teams from the smaller middle-European nations.

Now Uefa has touched it with gold dust: the two finalists will gain automatic Uefa Cup places. Suddenly everyone wants to play - except the Spanish. Their players' union is insisting on its summer holiday. The result will be a competition that appeals to sponsors and broadcasters and the top Europe's second-tier clubs in Uefa-organised matches.

Leading English clubs have complained, but the Premier League has requested three places. These will be filled by sides that do not otherwise qualify for European competitions and finish higher than 12th in the league. Undoubtedly teams from the strongest nations will win the Intertoto. It is possible that Germany could end up with seven teams in the Uefa Cup next season.

Uefa has also doubled the number of countries in the European Championship finals to 16, thus

increasing the number of matches, the number of happy voters and the appeal to television.

Inevitably there are losers. In England, the big clubs want to skip the Football League's Coca Cola Cup if they are playing in European competitions. The Premier League is plotting its escape from FA control. It will produce a new rulebook later this year. This may seem innocuous, but in the hands of a determined man in a blazer a rulebook is a terrible weapon.

The flow of money does not, however, all go through the big clubs, the big broadcasters and the big sponsors. The proliferation of television channels, all craving the guaranteed audience soccer delivers, increases demand at all levels. This may take the shape of an attempt to get top footballers on the cheap - one British cable channel is plotting what amounts to a beach soccer league for this summer. But it can benefit lower clubs.

The Premier League, founded in 1991, has brought big money to top clubs. But the teams left behind in the Football League, which now has a separate sponsor and television contract, have done proportionally better. Watch out for the GM Vauxhall conference on a channel near you.

Rugby Union/Huw Richards

Council tenants with big plans

God, we are often reminded, is firmly on the side of the Big Battalions in modern competitive rugby. Last week's Pilkington Cup semi-final line-up matching London's top clubs Wasps and Harlequins with the best of the provinces, Bath and Leicester, might seem to point that way.

Perhaps it is having so resolutely non-Christian a name that makes Saracens impervious to such viewpoints. Their north London ground is in a public park, their annual turnover of around £150,000 is little more than many junior clubs and their first-class status is of relatively recent standing.

Yet small has been devastatingly effective in this year's Courage League Two. With only one team promoted, the race for the top flight was expected to be close. But with four games to go, it is over. Saracens go to Elyde today in celebratory mood, already promoted, nine points clear of the field. Second-placed Wakefield are closer in points to the relegation zone.

A decade ago the late John Currie, then chair of Harlequins, predicted that there would ultimately be two top-flight London clubs. Trends in the 1980s have supported him, but Sarries have refused to accept that they cannot achieve the status of Quins and Wasps.

To see them purely as a London club is to miss an underlying strength, a vast Essex and

eastern counties hinterland that gives the club a distinctive identity amid London rugby's rootless cosmopolitanism.

Even so the 10-team League One, with two teams to be relegated, is a fearsome proposition. Saracens are returning to the top after a two-season break. Bryan Davies, captain, says: "We know it will be tougher and faster, but after a couple of seasons away it could take a few games for this really to sink in."

In eight seasons, League One has broken the spirits of several promoted teams. Bedford once conceded 467 points in 11 games while Liverpool St Helens' subsequent plunge ended in League Four. But the performances this season of promoted Sale, in fourth place, and West Hartlepool, just above the relegation zone, have been encouraging.

Saracens have neither West's intimidating forwards nor Sale's lethally inventive backs. But they are probably a better all-round team than either. Nobody will frighten them, but as Mark Evans, Saracens' coach, says: "It is a tough, competitive league and it will be a real battle. I reckon only Bath and Leicester, perhaps Wasps, can honestly say that they are safe from relegation in the near future. Anyone else can have a bad run, or injuries, or lose confidence."

One element in small-club success is developing talent. Davies says: "Good coaching is vital. Talent has to be nurtured. For instance Richard Hill is an immensely talented player, but he came to us as a number 8. Mark saw his potential as an open side, persuaded him to make the change and worked with him to make it successful."

Evans says: "This club is known to give talent its chance. If you're good enough you won't be stuck three years in the seconds."

But talent must be retained as well as nurtured. There were two ex-Saracens - Jason Leonard and Ben Clarke - in England's Grand Slam pack. Leonard, one of three players who went from Saracens to Harlequins in a single season, was capped with Sarries but both were persuaded that their international prospects were better elsewhere.

Evans says: "We have to convince players that they can get international recognition here."

The selection of Hill and Tony Diprose for England's Hong Kong Sevens squad and



Saracens on the charge: the north London club secured promotion with four games to go

hooker Greg Borterman's place on the England bench against Scotland will help. But the long-term key is first division status.

So recruitment is supplementing development. Saracens will not name names. But up to a dozen new recruits, including Gareth Rees, the Canada outside-half, could strengthen next season's squad.

Income and expenditure will rise: "More money comes in through the turnstiles, but outgoing, including players' legitimate expenses, go up at the same time," says president Jim Wyness.

Early promotion means Saracens can start selling advertising and sponsorship - this year Pinnacle Insurance has gone to the unusual length of sponsoring away games - early on the basis of their new status.

Uncertainty continues over their council-owned ground. Both its 300-seater stand, whose percussive tin roof acts

as a magnet for balls kicked into touch, and its democratic barn of a bar - in which players, committee and fans mix freely without the segregation of some other clubs - have a certain charm. The social side is good enough to compensate Davies for a weekly 800 mile commute from Cardiff for training and matches.

But the club would like better social and spectator facilities.

"We aren't planning a miniature Old Trafford. We are very sensitive to the impact any development will have on residents," says Wyness.

Promotion will mean shoe-horning crowds of 4,000-5,000 into the ground, with much erecting and dismantling of the temporary stands that give big matches at Bramley Road their close, distinctive atmosphere.

"It's a great leveller. People don't like coming here," says Davies of Saracens' cramped ground and determined team. E.F. Schumacher, one suspects, would have loved it.

Tennis/John Barrett

A queen at midnight

Hold your breath at midnight tomorrow. As the clock strikes 12, Steffi Graf, just nine weeks short of her 26th birthday, will be back where she belongs atop the WTA Tour computer.

Graf displaces Arantxa Sanchez Vicario from the No.1 world ranking, a status which the 23-year-old Spaniard has enjoyed for two stretches, totalling eight weeks, since February 6. This will be Graf's 279th week in pole position, an achievement surpassed only by Martina Navratilova who enjoyed 331 weeks at the top.

How important is this piece of trivia? Fairly important, say tennis historians: there have been only six No.1s since the rankings began a decade ago; very important, say the players for whom achievement, rather than money, is the spur; crucially important, say their agents. How much easier to negotiate an endorsement contract for the world No.1 than for the No.2.

Wait a minute. Graf was not playing this week, was she? Correct. How then did she overtake Sanchez? The answer lies in the complexities of the computer ranking system which judges everyone on a moving 13 month period.

Sanchez sprained her right ankle during the course of beating Amanda Coetzer in the last 16 at Hilton Head last week and defaulted to Magdalena Maleeva. The injury is expected to keep her off court for up to six weeks. Sanchez Vicario is unable to compete this week at Amelia Island, where she won last year, and also loses those points from 12 months ago.

Graf has not competed since winning the Lipton title two weeks ago in Key Biscayne. That third title of 1995 had

been a landmark victory in several ways. Although it still left Graf just behind Sanchez, her win in the final against Kimiko Date of Japan gave her an 89th career title to place her in third place on the all-time list behind Martina Navratilova (167) and Chris Evert (157) and ahead of Evonne Cawley on 88. The win also took Graf's career earnings past the \$15m mark and into second place behind Navratilova whose \$30,283,727 tops the women's list.

Graf's rivalry with Sanchez

Seles had the potential to become the finest woman player to have lifted a racket

Vicario is the brightest aspect of a women's game sadly diminished by the retirement of Navratilova, the determination of Jennifer Capriati to keep her finger on the self-destruct button for so long and the Garboesque posturing of the enigmatic Monica Seles.

What will be the effect on Seles of falling this week to have her attitude, Gunther Parche, committed to jaff? Will she return to competition and take out her frustration on her opponents or will she pursue the legal course and attempt to win damages from the German Tennis Association and compensation from her insurers?

The only predictable thing about Seles is her unpredictability. She may never know just how great a champion she might have become. I have no doubt that she had the potential to become the finest

woman player ever to have lifted a racket.

Ever since 1984, just before her 11th birthday, when she grunted her way to the under-12 Sport Goofy title in Orlando, Seles had defined perfection. Despite an inadequate physique, moderate court coverage, a poor serve and average volleys, she turned professional at 15 and in the course of four years made herself into arguably the greatest match-player of all time.

I shall never forget her victory over an astonished Graf in the French Open final of 1990 that set her on her way. Aged just 18½, this frail creature, all arms and legs, had destroyed the world champion with an exhibition of ferocious baseline driving. The youngest ever winner of a Grand Slam title this century, one year later Seles became the youngest ever world No.1.

At the time of her stabbing in Hamburg on April 30 1993, Seles had won eight grand slams: three each at Australia and France and two at the US Open. The last, a dramatic three sets victory over Graf in Melbourne, had given us a tantalising glimpse of the future.

Seles was forced into new territory by the glittering quality of Graf's play. For the first time Seles was forced to produce some booming aces, some successful serve-and-volley points and even some one-handed forehands. Here was the evolutionary process at work. Only by adapting to the danger could she have survived.

Check No 1,699:
1 Nxa7+ Kc7 2 Ncb5+ Kbs 3 Qxd6+ Qxd6 4 Nxd6 Rxd6 5 Bf4 Kxa7 6 Bxd6 won on material.
Nxb6 bxc6 2 Rxc6+ also wins speedily.

150 من الاجل

INTERNATIONAL ARTS GUIDE

What's on
in principal
cities

BALTIMORE

CONCERTS
 □ Symphony Hall Tel: (410) 783 8000
 ● Baltimore Symphony Orchestra: Mark Elder conducts Ravel, Mendelssohn, Ravel and Tchaikovsky; 8.15pm; Apr 8, 9 (8pm)
 ● Baltimore Symphony Orchestra: with pianist André Watts. Hermann Michael conducts Wagner, Ketting and Beethoven; 8.15pm; Apr 12, 13
THEATRE
 □ Center Stage Tel: (410) 685 3200
 Hannah Senesh: written and directed by David Schechter, music composed and arranged by Steven Luvak. An adaptation of diaries and poems by a Hungarian Jewish woman in Nazi occupied territory; 8pm; to Apr 23 (Not Mon)

BERLIN

CONCERTS
 □ Deutsche Oper Tel: (030) 34384-01
 Orchestra of the Deutsche Oper Berlin: Jiri Kout conducts Beethoven, Martinu, Tchaikovsky; 8pm; Apr 13
GALLERIES
 □ Altes Museum Tel: (030) 203 550
 Munch and Germany: exhibition of early works by Norwegian artist Edvard Munch and German artists influenced by him; to Apr 23
 □ Deutsches Historische Tel: (030) 215 020
 Art from the GDR 1949-1990: exhibition that looks at politically commissioned art in the German Democratic Republic; to Apr 18
 □ Neue Nationalgalerie Tel: (030) 266 2653
 George Grosz, Berlin-New York exhibition of the German Dadaist who emigrated to the US; to Apr 17
OPERA/BALLET
 □ Deutsche Oper Tel: (030) 34384-01
 ● Aida: by Verdi. Conductor Stefan Soltész, production by Götz Friedrich; 7pm; Apr 14
 ● L'italiana in Algeri: by Rossini. Conducted by Ion Marin/Carlo Rizzì, produced by Jérôme Savary; 7.30pm; Apr 8, 12
 ● Onegin: music by Tchaikovsky. Premiere at this venue, choreographed by John Cranko, produced by Reid Anderson and Jane Bourne; 7.30pm; Apr 9 (7pm), 11, 15
 □ Staatsoper Unter den Linden Tel: (030) 2 00 4762
 Der Rosenkavalier: by Strauss. Nicolas Brieger directs a new production. Sets are designed by Raimund Bauer. Donald Runnicles conducts; 8.30pm; Apr 8, 13
 □ Theater des Westens Tel: (030) 31 90 31 93
 Street Scene: by Kurt Weill. In English with soloists Janice Felty and Dean Anthony. Conducted by James Holmes; 7.30pm.

BONN

GALLERIES
 □ Kunst-und Ausstellungshalle Tel: (0228) 9171 236
 ● Russian Museum of St Petersburg: third in "The Great Collections" series. The museum in St Petersburg houses 500,000 works from which 500 have been selected for this exhibition to represent 500 years of Russian art and culture; to Aug 13 (Not Mon)
 ● Under the Volcano Antique Masterpieces: second in the "Great Collections Series", this exhibition represents a modern "excavation" from among the 200,000 works of the Museo Archeologico Nazionale di Napoli, including statues, frescoes and ceramics; to Jun 5 (Not Mon)

CHICAGO

GALLERIES
 □ Chicago Art Institute Tel: (708) 889 9800
 Gustave Caillebotte: exhibition with 117 works by the "Urban Impressionist" recently seen at the Grand Palais, Paris; to May 28

DUSSELDORF

GALLERIES
 □ Kunsthalle Düsseldorf
 Surrealism in Spain: 200 paintings, sculptures, drawings and photomontages by Dalí, Miró, Picasso etc. The exhibition looks at the roles played by regions of Spain in the development of the Surrealist movement and includes many works concealed during the Spanish Civil War; to Apr 17

FRANKFURT

CONCERTS
 □ Alte Oper Tel: (069) 1340 400
 ● Jitka Čechová: pianist plays Busoni, Liszt and Smetana; 8pm; Apr 9
 ● Radio Leipzig Chamber Philharmonic: with soprano Edith Lienbacher and alto Ulrike Hetzel. Enoch zu Guttenberg conducts Bach's "Saint Matthew Passion"; 8pm; Apr 9
OPERA/BALLET
 □ Alte Oper Tel: (069) 1340 400
 Griffin Matzka: by Kálmán. Premiere of the production by the Budapest Opera Theatre; 8pm; from Apr 13 to Apr 22

GENEVA

CONCERTS
 □ Victoria Hall Tel: (022) 311 25 13
 Swiss Romande Orchestra: with soloists Miklos Perenyi and Stefan Hussong. Armin Jordan conducts Prokofiev and Shostakovich; 8.30pm; Apr 10
GALLERIES
 □ Art et Histoire Tel: (022) 311 43 88
 Icons: the Mavromichalis donation; to



Michael Nyman: concerts at the Royal Festival Hall, London, today and on Thursday

May 7
 □ Centre d'Art Contemporain Tel: (022) 329 18 42
 Tony Oursler: installation by the artist; to May 28

LILLE

THEATRE
 □ Le Mélière Tel: 20 40 10 20
 West: The Secret Life of Madame Tussaud. By Lavinia Murray, produced by Anna Fuse. In English; from Apr 12 to Apr 22

LONDON

CONCERTS
 □ Barbican Tel: (0171) 638 8891
 ● Royal Philharmonic Orchestra: with soprano Christine Brewer. Jane Glover conducts Schoenberg, Strauss and Mozart; 7.30pm; Apr 13
 ● Yo-Yo Ma: Bach unaccompanied cello suites; 8.30pm; Apr 10
 ● Yo-Yo Ma: cello with the London Symphony Orchestra. Sir Colin Davis conducts Tippett and Elgar while Leon Kravner conducts the UK premiere of his own "Music for Cello and Orchestra"; 7.30pm; Apr 12
 □ Queen Elizabeth Hall Tel: (0171) 928 8800
 ● Andreas Haefliger: pianist plays Beethoven, Schubert and Mussorgsky; 8pm; Apr 9
 ● Pustetang Living Rhythms of the World: Louis Moholo's Freedom Drum Orchestra and Clifford Jarvis' Rhythm of the Gods Afro Drum Ensemble; 7.15pm; Apr 14
 □ Royal Festival Hall Tel: (0171) 928 8800
 ● Bach: St Matthew Passion: with the Bach Choir and the English Chamber Orchestra. Sir David Willcocks conducts; 11am; Apr 9, 11, 13
 ● London Choral Society: Jane Glover conducts Handel's "Messiah"; 8pm; Apr 14
 ● Michael Nyman Band: with the Orquesta Andalus de Tetuan. Special concert in which Nyman reworks music from his career and writes for a group of virtuoso musicians; 8pm; Apr 8
 ● Piano, Orchestra and Band: Martyn Brabbins conducts the Michael Nyman Band, The Philharmonia Orchestra and pianist Kathryn Stott plays Nyman's "The Piano Concerto" and the UK's premiere of "MGV - Musique Grande Vitesse"; 7.30pm; Apr 13
GALLERIES
 □ Barbican Tel: (0171) 638 8891
 Impressionism in Britain: the first comprehensive survey of the development of Impressionism in Britain. More than 200 works by more than 100 artists including Degas, Rodin and Whistler; to May 7
 □ Hayward Tel: (0171) 261 0127
 Yves Klein: more than 110 works conveying the full range of his output from paintings and sculpture to installations, events, architectural schemes to stage and film scenarios; to Apr 23
 □ National Gallery Tel: (0171) 839 8321
 Spanish Still Life: from Velázquez to Goya. Exhibition of 16th-17th century Spanish paintings by artists such as Cotán and Zurbarán; to May 21
 □ Royal Academy Tel: (0171) 439 7438
 Poussin: more than 90 works by the French artist. Centerpiece of the exhibition are the two series of the "Seven Sacraments"; to Apr 9
 □ Royal Festival Hall Tel: (0171) 928 8800
 After Auschwitz: exhibition of paintings, sculpture and photography produced by 21 artists in response to the Holocaust; to Apr 17
 □ Tate Tel: (0171) 887 8000

British Sporting Art: sporting and animal painting in Britain from around 1720 to 1850; from Apr 11 to Jul 2
OPERA/BALLET
 □ English National Opera Tel: (0171) 632 8300
 ● Don Giovanni: a new production of Mozart's opera. In house debuts for director Guy Joosten and conductor Markus Stenz; 7pm; Apr 8, 11, 13, 15
 □ Royal Opera House Tel: (0171) 304 4000
 ● Peter Grimes: by Britten. Directed by Elijah Moshinsky and conducted by Edward Downes; 7.30pm; Apr 8, 11
 ● The Prince of the Pagodas: by Britten. A Royal Ballet production choreographed by Kenneth MacMillan opens a Benjamin Britten "mini festival" at the Royal Opera; 7.30pm; Apr 10, 15 (7pm)

THEATRE
 □ Aldwych Tel: (0171) 836 8404
 Indian Ink: by Tom Stoppard. With Felicity Latham, Margaret Tyacke and Art Malik; (Not Sun)
 □ Cockpit Tel: (0171) 402 5081
 The Yiddish Trojan Women: by Carole Braverman, directed by Hettie Macdonald. Comedy involving four American Jewish women; 8pm; to Apr 23 (Not Sun)
 □ Gielgud Tel: (0171) 494 5065
 Design for Living: by Noel Coward and directed by Sean Mathias; 8pm; (Not Sun)
 □ Old Vic Tel: (0171) 928 7616
 Conversations with My Father: by Herb Gardner and directed by Alan Ayckbourn. Stars Judd Hirsch who won a Tony award for his role; 7.45pm; (Not Sun)

LOS ANGELES

GALLERIES
 □ County Museum Tel: (213) 857 5000
 American Impressionism and Realism: The Painting of Modern Life. Two important turn-of-the-century movements in American painting illustrated by artists such as John Singer Sargent, Mary Cassatt and Childe Hassam; to May 24
MADRID
GALLERIES
 □ Fundación Colección Thyssen-Bornemisza Tel: (91) 420 35 44
 André Derain: approximately 70 paintings representing the painter's different artistic periods; to Jul 10
 □ Fundación Juan March Tel: (91) 435 48 40/435 42 40
 Klimt-Kokoschka-Schiele: exhibition of 35 works by the three Viennese artists; to May 21
 □ Prado Tel: (91) 420 28 36
 ● Sebastiano Del Piombo: Venetian born artist of the Italian Renaissance. This exhibition explores his influence on Spanish painting during the 16th and 17th centuries; to Apr 30
 ● Zurbarán: Jacob and His Twelve Sons; to Apr 30
 □ Reina Sofia Tel: (91) 468 30 02
 ● Northern Lights: works by artists from the Nordic nations; to May 15
 ● Pablo Palazuelo: retrospective of the Spanish artist containing more than 60 paintings; to Jul 10

NEW YORK

CONCERTS
 □ Alice Tully Hall Tel: (212) 875 5050
 Chorovaya Akademia: male cappella choir from Moscow; 7pm; Apr 9
 □ Avery Fisher Tel: (212) 875 5030
 ● New York Philharmonic: with pianist Mitsuko Uchida. Kurt Masur conducts Beethoven's "Piano Concerto No.2" and Shostakovich's "Symphony No.5"; 8pm; Apr 8, 11 (7.30pm)
 ● New York Philharmonic: Kurt Masur conducts Weber, Schuman, Williams and Prokofiev; 8pm; Apr 12, 13, 14 (11am)
 ● Pinchas Zukerman: violinist and pianist Marc Neikrug, plays Mozart, Neikrug and Brahms; 8pm; Apr 9
 □ Carnegie Hall Tel: (212) 247 7800
 Alfred Brendel: an all Beethoven programme; 8pm; Apr 10
GALLERIES
 □ Metropolitan
 Nader: the first major survey of photographs by Félix Tournachon Nader (1820-1910), the celebrated portraitist of mid 19th century Paris. The exhibition comprises of approximately 100 vintage prints; from Apr 14 to Jul 9
 □ Museum of Modern Art Tel: (212) 708 9480
 ● Helen Chadwick: Bad Blooms: the English artist's most recent photographic series comprising 13 large photographs of flowers in a variety of viscous liquids; from Apr 13 to Jul 1
 ● Kandinsky: Compositions: exhibition featuring approximately 40 works including seven of the surviving "Composition" paintings; to Apr 25
OPERA/BALLET
 □ Metropolitan Tel: (212) 362 6000
 ● La Traviata: by Verdi. Produced by Franco Zeffirelli, conducted by John Fiore; 8pm; Apr 8, 11 (8.30pm)
 ● Parsifal: by Wagner. Produced by Otto Schenk, conducted by James Levine; 6.45pm; Apr 14
 ● Pelléas et Mélisande: by Debussy. A new production by Jonathan Miller. Conducted by James Levine; 8pm; Apr 13 (1.30pm)
 ● The Ghosts of Versailles: by Corigliano. Produced by Colin Graham, conducted by James Levine; 8pm; Apr 12, 15
 □ New York City Opera Tel: (212) 307 4100
 ● Harvey Milk: music by Stewart Wallace, libretto by Michael Korie. A new production conducted by Christopher Keene and produced by Christopher Alden, a story about gay activist, dirty politics, murder and riots; 8pm; Apr 13
 ● La Traviata: by Verdi. A new production conducted by Yves Abel and directed by Renata Scotti. Soloists include Janice Hall/Oksana Kroytska and Stephen Mark Brown/Richard Drews; 8pm; Apr 8

Concerto No.2" and Shostakovich's "Symphony No.5"; 8pm; Apr 8, 11 (7.30pm)

● New York Philharmonic: Kurt Masur conducts Weber, Schuman, Williams and Prokofiev; 8pm; Apr 12, 13, 14 (11am)
 ● Pinchas Zukerman: violinist and pianist Marc Neikrug, plays Mozart, Neikrug and Brahms; 8pm; Apr 9
 □ Carnegie Hall Tel: (212) 247 7800
 Alfred Brendel: an all Beethoven programme; 8pm; Apr 10
GALLERIES
 □ Metropolitan
 Nader: the first major survey of photographs by Félix Tournachon Nader (1820-1910), the celebrated portraitist of mid 19th century Paris. The exhibition comprises of approximately 100 vintage prints; from Apr 14 to Jul 9
 □ Museum of Modern Art Tel: (212) 708 9480
 ● Helen Chadwick: Bad Blooms: the English artist's most recent photographic series comprising 13 large photographs of flowers in a variety of viscous liquids; from Apr 13 to Jul 1
 ● Kandinsky: Compositions: exhibition featuring approximately 40 works including seven of the surviving "Composition" paintings; to Apr 25
OPERA/BALLET
 □ Metropolitan Tel: (212) 362 6000
 ● La Traviata: by Verdi. Produced by Franco Zeffirelli, conducted by John Fiore; 8pm; Apr 8, 11 (8.30pm)
 ● Parsifal: by Wagner. Produced by Otto Schenk, conducted by James Levine; 6.45pm; Apr 14
 ● Pelléas et Mélisande: by Debussy. A new production by Jonathan Miller. Conducted by James Levine; 8pm; Apr 13 (1.30pm)
 ● The Ghosts of Versailles: by Corigliano. Produced by Colin Graham, conducted by James Levine; 8pm; Apr 12, 15
 □ New York City Opera Tel: (212) 307 4100
 ● Harvey Milk: music by Stewart Wallace, libretto by Michael Korie. A new production conducted by Christopher Keene and produced by Christopher Alden, a story about gay activist, dirty politics, murder and riots; 8pm; Apr 13
 ● La Traviata: by Verdi. A new production conducted by Yves Abel and directed by Renata Scotti. Soloists include Janice Hall/Oksana Kroytska and Stephen Mark Brown/Richard Drews; 8pm; Apr 8

PARIS

CONCERTS
 □ Champs Elysées Tel: (1) 49 52 50 50
 ● Philharmonic Orchestra of St Petersburg: with violinist Shlomo Mintz. Youri Temirkanov conducts Prokofiev; 8.30pm; Apr 12
 ● Philharmonic Orchestra of St Petersburg: with violinist Martha Argerich. Youri Temirkanov conducts Prokofiev; 8.30pm; Apr 12
 ● Philharmonic Orchestra of St Petersburg: with mezzo-soprano Eugénie Gorokhoshkaya and the London Symphony Chorus. Youri Temirkanov conducts Prokofiev; 8.30pm; Apr 13
 □ Salle Pleyel Tel: (1) 45 63 88 73
 ● Paris Orchestra: with mezzo-soprano Brigitta Svendén. Louis Langrée conducts Schubert, Wagner, Chausson and Saint-Saëns; 8.30pm; Apr 12, 13
 ● Piano Recital: pianist Radu Lupu plays Bartók and Schumann; 8.30pm; Apr 11
GALLERIES
 □ Centre Georges Pompidou Tel: (1) 42 77 12 33
 ● Constantin Brancusi: first French retrospective of the Romanian born sculptor and painter who spent 50 years in France. The show offers a chronological and thematic look at 103 sculptures, 38 drawings and 65 photographs; from Apr 14 to Aug 21
 ● Louise Bourgeois: retrospective of drawings; to Apr 17
 □ Galerie Schmit Tel: (1) 42 60 36 36
 From Delacroix to Matisse: exhibition including the works of Picasso and Degas; to Apr 13
 □ Musée d'Orsay Tel: (1) 45 49 11 11
 James McNeill Whistler: exhibition of works; to Apr 30
 □ Musée du Petit Palais Tel: (1) 42 65 12 73
 Carthage: history, its impact and resonance; to Jul 2
OPERA/BALLET
 Opéra National de Paris, Bastille Tel: (1) 47 42 57 50
 Lucia di Lammermoor: by Donizetti. A new production by André Serban. Maurizio Benini and Roberto Abbado (from April) conducts the Orchestra and Chorus of the Paris National Opera; 7.30pm; Apr 8, 11, 14
THEATRE
 □ Petit Odéon Tel: (1) 44 412 36 36
 Cat and Mouse (Sheep): written and directed by Gregory Motton, a satirical look at England. The first in a season plays in English; 8.30pm; to Apr 23

SAN FRANCISCO

GALLERIES
 □ de Young Museum Tel: (415) 863 3330
 Monet: paintings of Monet's garden in Giverny from the Musée Marmottan. An exhibition of 22 works created between 1903 and 1926; to May 29
OPERA/BALLET
 □ San Francisco Ballet Tel: (415) 865 2000
 ● Programme Five: includes the world premiere of "Caniparoli" with traditional African music and Bach. Choreography by Val Caniparoli; 8pm; Apr 9 (7.30pm)
 ● Programme Seven: includes "Bagakur" with music by Toshiro Mayuzumi and choreography by George Balanchine; 8pm; Apr 8

● Programme Five: includes the world premiere of "Caniparoli" with traditional African music and Bach. Choreography by Val Caniparoli; 8pm; Apr 9 (7.30pm)

● Programme Seven: includes "Bagakur" with music by Toshiro Mayuzumi and choreography by George Balanchine; 8pm; Apr 8

● Programme Five: includes the world premiere of "Caniparoli" with traditional African music and Bach. Choreography by Val Caniparoli; 8pm; Apr 9 (7.30pm)

● Programme Seven: includes "Bagakur" with music by Toshiro Mayuzumi and choreography by George Balanchine; 8pm; Apr 8

● Programme Five: includes the world premiere of "Caniparoli" with traditional African music and Bach. Choreography by Val Caniparoli; 8pm; Apr 9 (7.30pm)

● Programme Seven: includes "Bagakur" with music by Toshiro Mayuzumi and choreography by George Balanchine; 8pm; Apr 8

● Programme Five: includes the world premiere of "Caniparoli" with traditional African music and Bach. Choreography by Val Caniparoli; 8pm; Apr 9 (7.30pm)

● Programme Seven: includes "Bagakur" with music by Toshiro Mayuzumi and choreography by George Balanchine; 8pm; Apr 8

● Programme Five: includes the world premiere of "Caniparoli" with traditional African music and Bach. Choreography by Val Caniparoli; 8pm; Apr 9 (7.30pm)

● Programme Seven: includes "Bagakur" with music by Toshiro Mayuzumi and choreography by George Balanchine; 8pm; Apr 8

● Programme Five: includes the world premiere of "Caniparoli" with traditional African music and Bach. Choreography by Val Caniparoli; 8pm; Apr 9 (7.30pm)

● Programme Seven: includes "Bagakur" with music by Toshiro Mayuzumi and choreography by George Balanchine; 8pm; Apr 8

● Programme Five: includes the world premiere of "Caniparoli" with traditional African music and Bach. Choreography by Val Caniparoli; 8pm; Apr 9 (7.30pm)

● Programme Seven: includes "Bagakur" with music by Toshiro Mayuzumi and choreography by George Balanchine; 8pm; Apr 8

● Programme Five: includes the world premiere of "Caniparoli" with traditional African music and Bach. Choreography by Val Caniparoli; 8pm; Apr 9 (7.30pm)

● Programme Seven: includes "Bagakur" with music by Toshiro Mayuzumi and choreography by George Balanchine; 8pm; Apr 8

● Programme Five: includes the world premiere of "Caniparoli" with traditional African music and Bach. Choreography by Val Caniparoli; 8pm; Apr 9 (7.30pm)

● Programme Seven: includes "Bagakur" with music by Toshiro Mayuzumi and choreography by George Balanchine; 8pm; Apr 8

● Programme Five: includes the world premiere of "Caniparoli" with traditional African music and Bach. Choreography by Val Caniparoli; 8pm; Apr 9 (7.30pm)

● Programme Seven: includes "Bagakur" with music by Toshiro Mayuzumi and choreography by George Balanchine; 8pm; Apr 8

Ruggero: mezzo-soprano Agnes Balssa and bass-baritone Ruggero Raimondi are accompanied by pianist Ronald Schneider; 8pm; Apr 9 (11am), 10

● Wiener Concertverein: with the Arnold Schoenberg choir and soprano Anna Korondi. Erwin Ortner conducts Britten and Dvořák; 7.30pm; Apr 12

● Künstlerhaus Tel: (1) 587 96 66
 Buddha in India: exhibition charting the development of early Indian art from the Maurya dynasty 320BC-185 BC to the fifth century Gupta period; to Jun 15

● Kunst Haus Wien Tel: (1) 712 04 91
 Jean Dubuffet: retrospective with more than 140 works; to Apr 30

● Kunstforum Bank Austria Tel: (1) 711 91-57 31
 Neorealism: 100 paintings and graphics by the likes of Franz Leher, George Jung and Ernst Nepero; to Jun 11

OPERA/BALLET
 Wiener Kammeroper Tel: (1) 512 01 00
 I Quattro Rusteghi: by Wolf-Ferrari. Musical comedy directed by Boris Pokrovskij and conducted by Wen-Pin Cien; 7.30pm; Apr 8, 10, 12, 15

● Kennedy Centre Tel: (202) 467 4600
 ● Alfred Brendel: pianist; 8.30pm; Apr 12

● Jessye Norman: soprano with pianist Ann Schein in a programme of works by Berg, Strauss, Ravel and Messiaen; 7pm; Apr 10

● National Symphony Orchestra: Elizabeth Scharoun conducts Berlioz's "Symphonie Fantastique"; 8.30pm; Apr 8

● National Symphony Orchestra: with conductor/violinist Iona Brown plays Strauss, Haydn, Vaughan Williams and Mozart; 8.30pm; Apr 13, 14 (1.30pm), 15

● Oratorio Society of Washington: plays Britten's "War Requiem"; 8.30pm; Apr 14

● Paul Hill Choral: Paul Hill conducts Verdi's "Requiem"; 3pm; Apr 9

● Corcoran Tel: (202) 638 3211
 ● Passionate Visions of the American South: Self Taught Artists from 1940 to the Present. Approximately 220 paintings and sculpture by 80 self-taught southern artists who are influenced by their communities and traditions and the materials readily available to them; to May 7

● Pedro Meyer: Truths and Fictions. A Journey from Documentary to Digital Photography. A combination of traditional street photography and photojournalism with digital imaging techniques; to May 15

● National Gallery Tel: (202) 737 4215
 ● Claes Oldenburg: an anthology containing drawings, sculptures and constructions by the artist over the last 25 years; to May 7

● The Glory of Venice: exhibition presented by the National Gallery of Art and the Royal Academy of Arts, London containing works by 18th century Venetian artists. Including paintings, drawings, pastels, prints, illustrated books and sculptures by artists such as Canaletto, Piranesi, Piazzetta and Guardi; to Apr 23

● National Museum of Women in the Arts Tel: (202) 783 5000
 Sogonisa Anguissola (1532-1625): a renaissance woman. First showing in the US of 24 works that includes intimate family portraits; to Jun 25

● Remick Gallery Tel: (202) 357 1718
 ● Uncommon Beauty in Common Objects: 85 black American artists drawing from the artistic and cultural legacies of traditional African art; to Jun 18

OPERA/BALLET
 ● Kennedy Centre Tel: (202) 467 4600
 ● Dance Theatre of Harlem: changing programme that includes Washington premieres of "Prodigal Sun", "Signs and Wonders" and "The Joplin Dances"; 8pm; from Apr 11 to Apr 23

● Le Ballet National du Senegal: dance company from west Africa perform "Fangloss", a dance about the spiritual nature of beings and things; 4pm; Apr 8

● Washington Opera Tel: (202) 416 7800
 Carmen: by Bizet. A new production with Denyce Graves in the title role. Ann-Margret Pettersson directs a production by Lennart Mörk. Conductor Cal Stewart Kellogg. In French with English surtitles; 8pm; Apr 9 (2pm)

THEATRE
 □ Arena Stage, Fichandler Theater Tel: (202) 483 3300
 I am a Man: directed by Donald Douglas. Recreation of the Memphis garbage workers strike of 1968 and the civil rights movement; 8pm; to Apr 9

□ Arena Stage Krueger Theater Tel: (202) 554 8066
 What the Butler Saw: by Joe Orton, directed by Joe Dowling; 7.30pm; to May 28 (Not Mon)

□ Ford's Theater Tel: (202) 347 4833
 Nunsense 2: written and directed by Dan Goggin; 7.30pm; (Not Mon)

□ Roundhouse Theater Tel: (301) 933 1644
 Escape from Happiness: by George F. Walker, directed by Daniel DeRaey; 8pm; to Apr 16 (Not Mon)

□ Studio Theater Tel: (202) 332 3200
 Rhinoceros: by Ionesco. Joy Zinoman directs the Absurdist's comedy warning of the dangers of conformity; 8pm; to Apr 16 (Not Mon)

□ Washington Shakespeare Company Tel: (703) 418 4808
 A Streetcar Named Desire: by Tennessee Williams. Christopher Henly directs; 8pm; to Apr 15

● Kennedy Centre Tel: (202) 467 4600
 ● Alfred Brendel: pianist; 8.30pm; Apr 12

● Jessye Norman: soprano with pianist Ann Schein in a programme of works by Berg, Strauss, Ravel and Messiaen; 7pm; Apr 10

● National Symphony Orchestra: Elizabeth Scharoun conducts Berlioz's "Symphonie Fantastique"; 8.30pm; Apr 8

● National Symphony Orchestra: with conductor/violinist Iona Brown plays Strauss, Haydn, Vaughan Williams and Mozart; 8.30pm; Apr 13, 14 (1.30pm), 15

● Oratorio Society of Washington: plays Britten's "War Requiem"; 8.30pm; Apr 14

● Paul Hill Choral: Paul Hill conducts Verdi's "Requiem"; 3pm; Apr 9

● Corcoran Tel: (202) 638 3211
 ● Passionate Visions of the American South: Self Taught Artists from 1940 to the Present. Approximately 220 paintings and sculpture by 80 self-taught southern artists who are influenced by their communities and traditions and the materials readily available to them; to May 7

● Pedro Meyer: Truths and Fictions. A Journey from Documentary to Digital Photography. A combination of traditional street photography and photojournalism with digital imaging techniques; to May 15

● National Gallery Tel: (202) 737 4215
 ● Claes Oldenburg: an anthology containing drawings, sculptures and constructions by the artist over the last 25 years; to May 7

● The Glory of Venice: exhibition presented by the National Gallery of Art and the Royal Academy of Arts, London containing works by 18th century Venetian artists. Including paintings, drawings, pastels, prints, illustrated books and sculptures by artists such as Canaletto, Piranesi, Piazzetta and Guardi; to Apr 23

● National Museum of Women in the Arts Tel: (202) 783 5000
 Sogonisa Anguissola (1532-1625): a renaissance woman. First showing in the US of 24 works that includes intimate family portraits; to Jun 25

● Remick Gallery Tel: (202) 357 1718
 ● Uncommon Beauty in Common Objects: 85 black American artists drawing from the artistic and cultural legacies of traditional African art; to Jun 18

OPERA/BALLET
 ● Kennedy Centre Tel: (202) 467 4600
 ● Dance Theatre of Harlem: changing programme that includes Washington premieres of "Prodigal Sun", "Signs and Wonders" and "The Joplin Dances"; 8pm; from Apr 11 to Apr 23

● Le Ballet National du Senegal: dance company from west Africa perform "Fangloss", a dance about the spiritual nature of beings and things; 4pm; Apr 8



Peter Aspdon

A pink paste that is shaping Britain

Taramasalata has become a key indicator of the UK's much-changed culture

When I was a boy, my Greek mother used to make a mysterious dish which never failed to worry me. It was a pink, fishy, paste which, though delicious, did not resemble anything else I ate.

It certainly was not available in the school canteen, and the very mention of the dish's rather odd name made my English friends explode with laughter. It was a source of embarrassment, and so I never, ever talked about taramasalata in public.

Thirty years on, the inoffensive dip has become nothing less than a key indicator of Britain's much-changed culture. Londoners talk of the days when "you couldn't even

get a tub of taramasalata" to describe the culinary dark ages, when a snatched half-hour in a Wimpy bar was as racy a gastronomic experience as most people could get.

Today, more refined and ever-so-sophisticated, the island of taramasalata surrounded by piping-hot pitta bread on a buffet table has become a cliché, an example of lazy thinking, marginally more exciting than a cheese-and-wine spread. We pronounce sagely on the degree of pinkness required, as if we were born with the stuff coursing through our veins. How soon we forget.

Taramasalata - made from the roe of grey mullet or smoked cod - was one of the very first "exotic"

foods to be made available to a traditionally introspective British food-buying public, available at first in the chic delicatessens of central London, but destined, as it were, to spread.

Soon, it began to appear everywhere. Marks and Spencer started stocking it (today it even has two versions, standard and deluxe) and the more conservative supermarket chains only followed. With the advent of the versatile we-sell-everything corner shop, it came into its own.

These days, in the average inner city neighbourhood, you may not easily find fresh fruit, nor toothpaste, nor a last-minute packet of condoms, but rest assured you are never more than a couple of hun-

dred yards from a tub of taramasalata.

Last week, Britain's love affair with the pink stuff came to a splendid conclusion when Timothy Eggar, the minister of state for trade and industry, celebrated the 25th anniversary of a taramasalata factory in west London with the memorably mangled metaphor: "Not jam tomorrow but taramasalata today."

The factory, it seems, had been thinking of moving to France, but was encouraged to stay by a government grant. The expansion, Eggar was reported as saying, reflected "the objectives set by my London manufacturing initiative."

So now we know. Here we all

are, listening to that nice John Major talking on television about the revival of British manufacturing, thinking possibly about steel and ships when we should have been thinking fishy dips. This pale, unpretentious pâté seems destined to play a prominent role in shaping Britain's post-industrial profile.

And why on earth not? The factory is set to export much of its produce (which will include other Greek foods) to Europe without so much as a twinge of self-consciousness; if you can buy a Made-in-China bobble's helmet from a vendor in Piccadilly Circus, what is wrong with a Made-in-Britain moussaka? Perhaps we could even flog it to Greece?

And here lies the irony: for in its native country, taramasalata is not actually a terribly popular dish, other than in those tavernas which cater shamelessly for British tourists. In Cyprus, it is virtually nonexistent.

In truth, taramasalata has become a distinctively British dish, rather like chicken tikka, prawn crackers or tortilla chips.

When curious foreign friends ask me to define British cuisine, I feel it is dishonest to dwell on fish-and-chips and tasty pies. In culinary terms, Britain has been conquered by the very world over which, a century ago, it stood like a colossus.

And I have to say, it doesn't taste bad at all.

Cuts above the rest

What is it that makes one steak succulent and vastly superior to another, one joint juicy and the other barely edible?

The best country butchers could always tell. Their secret was to buy beef animals from farmers whose cattle they knew, slaughter them themselves, then hang the carcasses for several days before offering them for sale. But meat produced in this way was not cheap, and many consumers were led by lower prices to desert high street butchers' meat in favour of plastic-wrapped supermarket products.

Now, meat-eaters are coming to the conclusion that price is not everything. But, as many of the old-fashioned butchers have been forced out of business by the switch to supermarket shopping, it is the big retailers who are cashing in on the return to quality. Traditional meat counters are appearing in supermarkets, where string-tied joints, cuts and chops, pressed and ready to roast or grill, lie invitingly on trays alongside delicatessen products.

Marks and Spencer claims to have started the return to traditional butchers' counters, but other multiples are quickly following suit. Furthermore, it seems sales from these counters, where premium prices are charged, are virtually all "new business" and have had little effect on sales of pre-packed meat products on the adjacent self-service shelves.

But the cosmetic measure of reinstating butchers' counters is not enough. To ensure business holds up, quality must be maintained to justify the higher prices.

In the search for a reliable supplier, M&S's directors and tasters combed their way through 4,000 steaks. As they chewed each one, they noted details of the animal from which it had come - its breed, how it had been fed, whether it had been hung after slaughter, and so on. Their collective conclusion was that the best meat came from cattle

Breeders of Aberdeen Angus cattle cannot believe their luck

sired by Aberdeen Angus bulls that had been reared in Scotland and adequately matured in the traditional way. The company then set out to find a source of supply that could deliver to specification all the year round. Inevitably, given the preferred breed, it found it in Scotland.

The company was Scotbeef, a wholesale supplier that had been doing business with M&S for more than 20 years. Scotbeef had already built up a sizeable trade supplying quality meat in the UK and abroad, and it was asked to find farmers who could produce the cattle required.

M&S drew up detailed specifications. It stipulated that the animals must be suckled steers - that is, castrated males that had been suckled by their mothers for at least six months - that their breeding should contain a preponderance of Aberdeen Angus, that they should not be slaughtered until they were at least 18 months old, and so on.

It also laid down standards of animal welfare and the diet on which the cattle should be fed. These standards were similar to those already used for all M&S beef animals of whatever parentage and specifically excluded the feeding of animal proteins.

To encourage farmers to produce the high-specification beef, Scotbeef pays the premium prices. These are normally 5 per cent above prevailing market levels, which vary from week to week.

By the time the cattle are slaughtered and their carcasses dressed, that is, boned and trimmed of surplus fat, this translates to about a 10 per cent premium in store. Much of the front-end meat, such as brisket, has to be turned into mince and sausages and can only be retailed at about 5 per cent more than M&S standard beef.

So far, this high quality sector of the M&S meat business is requiring about 200 cattle each week. That is only about 10 per cent of the company's current total beef sales. But company bosses believe the market has potential for a great deal of growth. Indeed, they say they could sell more meat now if they could get it, but they refuse to lower standards.

Meanwhile, the breeders of Aberdeen Angus cattle, which had become a little unfashionable alongside the bigger breeds imported from the continent, cannot believe their luck. As a direct result of the M&S initiative (and indirectly as other companies are copying it) demand for quality pedigree cattle has soared in recent years.

The average price of an Aberdeen Angus breeding bull to sire this traditional quality meat has increased from £2,000 five years ago to £3,000 last year.

For the time being, demand for bulls, like the beef they produce, exceeds supply.

Breeders of Aberdeen Angus cattle cannot believe their luck

sired by Aberdeen Angus bulls that had been reared in Scotland and adequately matured in the traditional way. The company then set out to find a source of supply that could deliver to specification all the year round. Inevitably, given the preferred breed, it found it in Scotland.

The company was Scotbeef, a wholesale supplier that had been doing business with M&S for more than 20 years. Scotbeef had already built up a sizeable trade supplying quality meat in the UK and abroad, and it was asked to find farmers who could produce the cattle required.

M&S drew up detailed specifications. It stipulated that the animals must be suckled steers - that is, castrated males that had been suckled by their mothers for at least six months - that their breeding should contain a preponderance of Aberdeen Angus, that they should not be slaughtered until they were at least 18 months old, and so on.

It also laid down standards of animal welfare and the diet on which the cattle should be fed. These standards were similar to those already used for all M&S beef animals of whatever parentage and specifically excluded the feeding of animal proteins.

To encourage farmers to produce the high-specification beef, Scotbeef pays the premium prices. These are normally 5 per cent above prevailing market levels, which vary from week to week.

By the time the cattle are slaughtered and their carcasses dressed, that is, boned and trimmed of surplus fat, this translates to about a 10 per cent premium in store. Much of the front-end meat, such as brisket, has to be turned into mince and sausages and can only be retailed at about 5 per cent more than M&S standard beef.

So far, this high quality sector of the M&S meat business is requiring about 200 cattle each week. That is only about 10 per cent of the company's current total beef sales. But company bosses believe the market has potential for a great deal of growth. Indeed, they say they could sell more meat now if they could get it, but they refuse to lower standards.

Meanwhile, the breeders of Aberdeen Angus cattle, which had become a little unfashionable alongside the bigger breeds imported from the continent, cannot believe their luck. As a direct result of the M&S initiative (and indirectly as other companies are copying it) demand for quality pedigree cattle has soared in recent years.

The average price of an Aberdeen Angus breeding bull to sire this traditional quality meat has increased from £2,000 five years ago to £3,000 last year.

For the time being, demand for bulls, like the beef they produce, exceeds supply.

David Richardson

Private View

Professor with killer gene blues

Christian Tyler meets David Bishop, the virus manipulator who lost his job

The scientist who last year released into the open air a caterpillar-killing virus mutated with a gene for scorpion venom - probably the world's first such experiment outside the laboratory - has himself been badly stung.

Prof David Bishop is hopping mad after his sudden ejection from the publicly-funded British research institute he has led for 11 years. And he is reaching for his lawyers.

Bishop is a tall, fit 57-year-old with a precise delivery and the air of a man who usually gets his way. It is clear that his removal has come as a shock: there are moments when, like a person bereaved, he has difficulty maintaining self-control.

If Bishop had his way, his compulsory early retirement from the Institute of Virology and Environmental Microbiology at Oxford would become as much a *cause célèbre* as the controversial biotechnology experiment he has been supervising.

An easy conclusion is that Bishop has been removed because his superiors in the Natural Environment Research Council have been scared by the scorpion gene. But very. But things are not so simple. If the NERC feared controversy, why did it risk the wrath of a strong-minded director by removing him without notice last month and giving him only three days to clear his desk?

Does the NERC want to end the virus experiment in the cabbage patch at Wytham outside Oxford? Its spokeswoman says Bishop's retirement has nothing to do with it. Indeed, the Council likes this project, which fits its new "mission". However, its future is to be reviewed along with the rest of the institute's programmes.

According to the Council's managers, Bishop was pensioned off because he resisted the revised mission. Another director had to be found.

Bishop is furious at what he claims is the damage to his reputation - there has been absolutely no impropriety, he said - and claims he was never consulted about a new mission. Furthermore, the new mission statement was much the same as the old one.

Bishop is not a man to play down his own attainments. "I know more than anybody in this country about viruses," he said. "I mean, I'm one of the top people in the world on the subject."

He was lured back from US university teaching to direct the institute and was made visiting professor of virology at Oxford University. He has served on the editorial board of all the specialist journals and is a member of distinguished international committees.

So if the NERC wanted to wind down virology, I asked him, they could expect a lot of resistance from you.

"I think that would be absolutely correct."

Are you a combative person?

"If I have a view I put it as persuasively as I can. But if I'm told to do something else, I always do what I'm told."

And if they told you to drop virology altogether?

"I would consider my position and decide either to drop it or change post. But there was no discussion with me about a change of mission, no opportunity to say whether or not I would like to do it."

Bishop says there is no question of him mishandling the mutant virus controversy. He may have disagreed with Prof John Krebs, the Oxford zoologist who became chief executive of the NERC 11 months ago, about the timing of a public meeting with protesters last year, but sees himself as an effective communicator and coherent defender of the work.

He understood, he said, why critics were concerned and upheld their right to protest. He had argued for a representative from Friends of the Earth or Greenpeace to sit on the authority that supervises the release of mutant strains.

Do you attract strong likes and dislikes?

"I would say that I'm known as a very strong person with regard to my scientific standing. I set very high standards, and because of those standards the institute is where it is today. It has been described by NERC as the jewel in their crown." Perhaps you were too severe a manager?

"I've done things the same way for 11 years," Bishop replied. Colleagues at the institute had been stunned, he added, project leaders were in tears and three were looking for new jobs.

You have been described as a disciplinarian.

"I wouldn't say disciplinarian. I set high standards and I lead from the front. For instance, I have been working 6½ days a week. I would expect my staff to follow suit. Some do, some don't. But in a very com-



Fighting mood: Prof David Bishop at Wytham Farm, near Oxford, with the cages used to test genetically improved virus insecticides on cabbage caterpillars

petitive subject, if you're going to advance your career, you've got to work very hard.

"And this is one of the big problems in this country: people don't work. They tend to work Monday to Friday, nine to five."

Self-assured, stiff-necked and ambitious, Bishop is just the type of man institutions find awkward. His particular ambition, he says, is to convert scientific research into everyday use - not to win a Nobel Prize, but at least to be where the action is.

The Wytham Field experiment is designed to discover a "natural" pesticide (mutant or normal) that will kill a pest as efficiently as chemicals, but more safely.

Natural killers such as viruses are preferable, Bishop said, because they are insect-selective and host-specific: that is, they cannot hurt other insects or wildlife, animals or

people. Chemical pesticides, on the other hand, are much less discriminating, more likely to create resistant strains, to cause pollution and get into the food chain.

The turbo-charged mutant of Wytham kills moth caterpillars more quickly than the "wild" version does (though still not quickly enough). But it has only 10 per cent of the latter's progeny, so, said Bishop, it cannot compete and has little chance of spreading.

To those who fear for the rare moths and other insects of nearby Wytham Woods, Bishop maintains that his engineered baculovirus can kill readily only about 10 per cent of all moth species.

Was there no risk at all in forcing the pace of evolution, I asked.

Bishop replied that his work is no different from animal breeding, or importing foreign crops such as rape which - very gradually - will

interact with native plants.

"Yes, this is an issue," he added. "But the more particular issue is how to produce the food we need in the safest possible manner we can devise with the least risk and the most benefit."

"With no insecticides - no chemicals, no viruses - you would lose so much of your crops. You would have to put so much land back into production, accept so much wastage, employ so many people to do things they don't want to do..."

Some might say that would solve a lot of our problems.

"Some people will say that. All I'm saying is that one needs to look at the one versus the other."

Don't you sometimes ask yourself if cabbage growers really need your pesticide?

"This is not really a question I can answer. It is a political question. It's an issue the nation has to

look at. If the nation takes the view that there should be no use of pesticides at all, for pollution or whatever other reason, that's fine. But there's no way that's going to occur. We want an improved quality of life at the least cost."

"So my job is to ask if one can have a safer alternative to chemical pest control - which from the point of view of quality of life and wealth of the nation we have to have."

Would you feel your life wasted if governments decided viral manipulation was too risky?

"No. I've taken the thing professionally forward with all the scientific standards that apply. I totally recognise that at the end of the day if it's too costly no industry is going to take it up and if it's too risky governments are going to say No."

But at the moment they have accepted that this sort of research should go on.

As They Say in Europe / James Morgan

Faith has no room for votes

more the present Pope insists on demonstrating the grave difficulties he faces in understanding and accepting that his role in modern society is limited to the moral and spiritual guidance of those who freely choose to be part of his church. He does not understand that it is not possible to recover the powers which his predecessors thought appropriate..."

It then argued that "condemning artificial means of birth control in the name of life, is marked by contradictions and incomprehension of the realities of this world".

It is a while since Church spokesmen have publicly stated the basis of this doctrine. So I shall have a try.

Contraception is against "natural law" because each action has a purpose and it is a great sin to stand in

the way of that purpose. It is all right to use "natural" methods of birth control since nature herself has decreed that in most cases the natural purpose of the sexual act is frustrated.

I do not understand the argument. It sounds all too much like the old Bulgarian proverb: "If you wait till it has stopped raining, you will never need an umbrella."

Le Monde too looked at the relationship between the papacy and the civil power and concluded that in France the position was the exact reverse of that demanded by Pope John Paul, who insisted on the primacy of faith over politics.

"The law or conscience?" it asked. "In 1975 Catholic deputies voted for the abortion law, in spite of the dictates of their conscience, just in order not to impose on the

country behaviour guided by their personal beliefs alone."

Le Monde in Milan also saw the encyclical in political terms. Its commentator disagreed with the received wisdom in Italy that the encyclical would be no more than archive material within six months. He wanted it to be used to revive political debate and pull it from "his present torpor". The commentary was headed "Dogma and democracy".

What interested all these papers was not whether the Pope was right or wrong in his views on particular matters, but the relationship between faith and the law. In a democracy, the law is framed by the representatives of the people. The Pope in his encyclical said that the law cannot make wrong right. Abortion, contraception and eutha-

nasia laws do just that, but *Evangelium Vitae* does not quite know what to do when democracy opposes principle.

It is the apparent unswerving attachment to principle that provides one of the Church's main attractions in the face of the equivocations of others.

But the image is exaggerated. One hundred years ago many contemporary liberals were enraged by the encyclicals of Leo XIII. This Pope did not think much of the then modern world and had a good go at it in such tracts as *Rerum Novarum* and *Immortale Dei*.

Leo attacked capitalism, socialism, liberalism, free thought, trade unions and strikes. He did not like democracy either, so never had to face up to the possible conflict

between what the people wanted and what the Church taught.

So curious is his position that today the Catholic Encyclopedia has to describe it in these terms: "Unless studied in its proper context, and in the light of the full papal teaching on the political order, *Immortale Dei* can be easily misunderstood by present readers."

You bet.

At the time, conservative editors doubtless teased their opponents by extensively quoting from the texts. Today, the Pope cannot attack democracy and is thereby left with the problems highlighted in Paris, Milan and Madrid.

There is no particular virtue in being dragged kicking and screaming into the twentieth century, seeing what this century has produced. But if and when the Church is dragged into it, say, around the year 2050, it will be interesting to see what guidance the faithful will be given should they come to study *Evangelium Vitae*.

James Morgan is economics correspondent of the BBC World Service.

55 من الاحول

BERMUDA (SIB RECOGNISED)

GUERNSEY (REGISTRATION)

[illegible][illegible]

67 Asset Management (Balance) Ltd	
Asset	Value
Asset A	100.00
Asset B	200.00
Asset C	300.00
Asset D	400.00
Asset E	500.00
Asset F	600.00
Asset G	700.00
Asset H	800.00
Asset I	900.00
Asset J	1000.00
Asset K	1100.00
Asset L	1200.00
Asset M	1300.00
Asset N	1400.00
Asset O	1500.00
Asset P	1600.00
Asset Q	1700.00
Asset R	1800.00
Asset S	1900.00
Asset T	2000.00
Asset U	2100.00
Asset V	2200.00
Asset W	2300.00
Asset X	2400.00
Asset Y	2500.00
Asset Z	2600.00
Asset AA	2700.00
Asset AB	2800.00
Asset AC	2900.00
Asset AD	3000.00
Asset AE	3100.00
Asset AF	3200.00
Asset AG	3300.00
Asset AH	3400.00
Asset AI	3500.00
Asset AJ	3600.00
Asset AK	3700.00
Asset AL	3800.00
Asset AM	3900.00
Asset AN	4000.00
Asset AO	4100.00
Asset AP	4200.00
Asset AQ	4300.00
Asset AR	4400.00
Asset AS	4500.00
Asset AT	4600.00
Asset AU	4700.00
Asset AV	4800.00
Asset AW	4900.00
Asset AX	5000.00
Asset AY	5100.00
Asset AZ	5200.00
Asset BA	5300.00
Asset BB	5400.00
Asset BC	5500.00
Asset BD	5600.00
Asset BE	5700.00
Asset BF	5800.00
Asset BG	5900.00
Asset BH	6000.00
Asset BI	6100.00
Asset BJ	6200.00
Asset BK	6300.00
Asset BL	6400.00
Asset BM	6500.00
Asset BN	6600.00
Asset BO	6700.00
Asset BP	6800.00
Asset BQ	6900.00
Asset BR	7000.00
Asset BS	7100.00
Asset BT	7200.00
Asset BU	7300.00
Asset BV	7400.00
Asset BW	7500.00
Asset BX	7600.00
Asset BY	7700.00
Asset BZ	7800.00
Asset CA	7900.00
Asset CB	8000.00
Asset CC	8100.00
Asset CD	8200.00
Asset CE	8300.00
Asset CF	8400.00
Asset CG	8500.00
Asset CH	8600.00
Asset CI	8700.00
Asset CJ	8800.00
Asset CK	8900.00
Asset CL	9000.00
Asset CM	9100.00
Asset CN	9200.00
Asset CO	9300.00
Asset CP	9400.00
Asset CQ	9500.00
Asset CR	9600.00
Asset CS	9700.00
Asset CT	9800.00
Asset CU	9900.00
Asset CV	10000.00

[illegible][illegible][illegible][illegible][illegible][illegible][illegible][illegible][illegible][illegible][illegible]

	1992	1991	1990	1989	1988	1987	1986	1985	1984	1983	1982	1981	1980	1979	1978	1977	1976	1975	1974	1973	1972	1971	1970	1969	1968	1967	1966	1965	1964	1963	1962	1961	1960	1959	1958	1957	1956	1955	1954	1953	1952	1951	1950	1949	1948	1947	1946	1945	1944	1943	1942	1941	1940	1939	1938	1937	1936	1935	1934	1933	1932	1931	1930	1929	1928	1927	1926	1925	1924	1923	1922	1921	1920	1919	1918	1917	1916	1915	1914	1913	1912	1911	1910	1909	1908	1907	1906	1905	1904	1903	1902	1901	1900	1899	1898	1897	1896	1895	1894	1893	1892	1891	1890	1889	1888	1887	1886	1885	1884	1883	1882	1881	1880	1879	1878	1877	1876	1875	1874	1873	1872	1871	1870	1869	1868	1867	1866	1865	1864	1863	1862	1861	1860	1859	1858	1857	1856	1855	1854	1853	1852	1851	1850	1849	1848	1847	1846	1845	1844	1843	1842	1841	1840	1839	1838	1837	1836	1835	1834	1833	1832	1831	1830	1829	1828	1827	1826	1825	1824	1823	1822	1821	1820	1819	1818	1817	1816	1815	1814	1813	1812	1811	1810	1809	1808	1807	1806	1805	1804	1803	1802	1801	1800	1799	1798	1797	1796	1795	1794	1793	1792	1791	1790	1789	1788	1787	1786	1785	1784	1783	1782	1781	1780	1779	1778	1777	1776	1775	1774	1773	1772	1771	1770	1769	1768	1767	1766	1765	1764	1763	1762	1761	1760	1759	1758	1757	1756	1755	1754	1753	1752	1751	1750	1749	1748	1747	1746	1745	1744	1743	1742	1741	1740	1739	1738	1737	1736	1735	1734	1733	1732	1731	1730	1729	1728	1727	1726	1725	1724	1723	1722	1721	1720	1719	1718	1717	1716	1715	1714	1713	1712	1711	1710	1709	1708	1707	1706	1705	1704	1703	1702	1701	1700	1699	1698	1697	1696	1695	1694	1693	1692	1691	1690	1689	1688	1687	1686	1685	1684	1683	1682	1681	1680	1679	1678	1677	1676	1675	1674	1673	1672	1671	1670	1669	1668	1667	1666	1665	1664	1663	1662	1661	1660	1659	1658	1657	1656	1655	1654	1653	1652	1651	1650	1649	1648	1647	1646	1645	1644	1643	1642	1641	1640	1639	1638	1637	1636	1635	1634	1633	1632	1631	1630	1629	1628	1627	1626	1625	1624	1623	1622	1621	1620	1619	1618	1617	1616	1615	1614	1613	1612	1611	1610	1609	1608	1607	1606	1605	1604	1603	1602	1601	1600	1599	1598	1597	1596	1595	1594	1593	1592	1591	1590	1589	1588	1587	1586	1585	1584	1583	1582	1581	1580	1579	1578	1577	1576	1575	1574	1573	1572	1571	1570	1569	1568	1567	1566	1565	1564	1563	1562	1561	1560	1559	1558	1557	1556	1555	1554	1553	1552	1551	1550	1549	1548	1547	1546	1545	1544	1543	1542	1541	1540	1539	1538	1537	1536	1535	1534	1533	1532	1531	1530	1529	1528	1527	1526	1525	1524	1523	1522	1521	1520	1519	1518	1517	1516	1515	1514	1513	1512	1511	1510	1509	1508	1507	1506	1505	1504	1503	1502	1501	1500	1499	1498	1497	1496	1495	1494	1493	1492	1491	1490	1489	1488	1487	1486	1485	1484	1483	1482	1481	1480	1479	1478	1477	1476	1475	1474	1473	1472	1471	1470	1469	1468	1467	1466	1465	1464	1463	1462	1461	1460	1459	1458	1457	1456	1455	1454	1453	1452	1451	1450	1449	1448	1447	1446	1445	1444	1443	1442	1441	1440	1439	1438	1437	1436	1435	1434	1433	1432	1431	1430	1429	1428	1427	1426	1425	1424	1423	1422	1421	1420	1419	1418	1417	1416	1415	1414	1413	1412	1411	1410	1409	1408	1407	1406	1405	1404	1403	1402	1401	1400	1399	1398	1397	1396	1395	1394	1393	1392	1391	1390	1389	1388	1387	1386	1385	1384	1383	1382	1381	1380	1379	1378	1377	1376	1375	1374	1373	1372	1371	1370	1369	1368	1367	1366	1365	1364	1363	1362	1361	1360	1359	1358	1357	1356	1355	1354	1353	1352	1351	1350	1349	1348	1347	1346	1345	1344	1343	1342	1341	1340	1339	1338	1337	1336	1335	1334	1333	1332	1331	1330	1329	1328	1327	1326	1325	1324	1323	1322	1321	1320	1319	1318	1317	1316	1315	1314	1313	1312	1311	1310	1309	1308	1307	1306	1305	1304	1303	1302	1301	1300	1299	1298	1297	1296	1295	1294	1293	1292	1291	1290	1289	1288	1287	1286	1285	1284	1283	1282	1281	1280	1279	1278	1277	1276	1275	1274	1273	1272	1271	1270	1269	1268	1267	1266	1265	1264	1263	1262	1261	1260	1259	1258	1257	1256	1255	1254	1253	1252	1251	1250	1249	1248	1247	1246	1245	1244	1243	1242	1241	1240	1239	1238	1237	1236	1235	1234	1233	1232	1231	1230	1229	1228	1227	1226	1225	1224	1223	1222	1221	1220	1219	1218	1217	1216	1215	1214	1213	1212	1211	1210	1209	1208	1207	1206	1205	1204	1203	1202	1201	1200	1199	1198	1197	1196	1195	1194	1193	1192	1191	1190	1189	1188	1187	1186	1185	1184	1183	1182	1181	1180	1179	1178	1177	1176	1175	1174	1173	1172	1171	1170	1169	1168	1167	1166	1165	1164	1163	1162	1161	1160	1159	1158	1157	1156	1155	1154	1153	1152	1151	1150	1149	1148	1147	1146	1145	1144	1143	1142	1141	1140	1139	1138	1137	1136	1135	1134	1133	1132	1131	1130	1129	1128	1127	1126	1125	1124	1123	1122	1121	1120	1119	1118	1117	1116	1115	1114	1113	1112	1111	1110	1109	1108	1107	1106	1105	1104	1103	1102	1101	1100	1099	1098	1097	1096	1095	1094	1093	1092	1091	1090	1089	1088	1087	1086	1085	1084	1083	1082	1081	1080	1079	1078	1077	1076	1075	1074	1073	1072	1071	1070	1069	1068	1067	1066	1065	1064	1063	1062	1061	1060	1059	1058	1057	1056	1055	1054	1053	1052	1051	1050	1049	1048	1047	1046	1045	1044	1043	1042	1041	1040	1039	1038	1037	1036	1035	1034	1033	1032	1031	1030	1029	1028	1027	1026	1025	1024	1023	1022	1021	1020	1019	1018	1017	1016	1015	1014	1013	1012	1011	1010	1009	1008	1007	1006	1005	1004	1003	1002	1001	1000	999	998	997	996	995	994	993	992	991	990	989	988	987	986	985	984	983	982	981	980	979	978	977	976	975	974	973	972	971	970	969	968	967	966	965	964	963	962	961	960	959	958	957	956	955	954	953	952	951	950	949	948	947	946	945	944	943	942	941	940	939	938	937	936	935	934	933	932	931	930	929	928	927	926	925	924	923	922	921	920	919	918	917	916	915	914	913	912	911	910	909	908	907	906	905	904	903	902	901	900	899	898	897	896	895	894	893	892	891	890	889	888	887	886	885	884	883	882	881	880	879	878	877	876	875	874	873	872	871	870	869	868	867	866	865	864	863	862	861	860	859	858	857	856	855	854	853	852	851	850	849	848	847	846	845	844	843	842	841	840	839	838	837	836	835	834	833	832	831	830	829	828	827	826	825	824	823	822	821	820	819	818	817	816	815	814	813	812	811	810	809	808	807	806	805	804	803	802	801	800	799	798	797	796	795	794	793	792	791	790	789	788	787	786	785	784	783	782	781	780	779	778	777	776	775	774	773	772	771	770	769	768	767	766	765	764	763	762	761	760	759	758	757	756	755	754	753	752	751	750	749	748	747	746	745	744	743	742	741	740	739	738	737	736	735	734	733	732	731	730	729
--	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----

[illegible][illegible][illegible][illegible]

IRELAND (SIB RECOGNISED)							
		Fees		Dividend		Voting	
		Stamp	Stamp	Rate	Rate	Rate	Rate
BT Fund Managers (Ireland) Ltd 00 3521 7562							
BT Global Income Fund				8.74			
BT Global Income Fund 2				8.74			
BT Global Income Fund 3				8.74			
BT Global Income Fund 4				8.74			
BT Global Income Fund 5				8.74			
BT Global Income Fund 6				8.74			
BT Global Income Fund 7				8.74			
BT Global Income Fund 8				8.74			
BT Global Income Fund 9				8.74			
BT Global Income Fund 10				8.74			
BT Global Income Fund 11				8.74			
BT Global Income Fund 12				8.74			
BT Global Income Fund 13				8.74			
BT Global Income Fund 14				8.74			
BT Global Income Fund 15				8.74			
BT Global Income Fund 16				8.74			
BT Global Income Fund 17				8.74			
BT Global Income Fund 18				8.74			
BT Global Income Fund 19				8.74			
BT Global Income Fund 20				8.74			
BT Global Income Fund 21				8.74			
BT Global Income Fund 22				8.74			
BT Global Income Fund 23				8.74			
BT Global Income Fund 24				8.74			
BT Global Income Fund 25				8.74			
BT Global Income Fund 26				8.74			
BT Global Income Fund 27				8.74			
BT Global Income Fund 28				8.74			
BT Global Income Fund 29				8.74			
BT Global Income Fund 30				8.74			
BT Global Income Fund 31				8.74			
BT Global Income Fund 32				8.74			
BT Global Income Fund 33				8.74			
BT Global Income Fund 34				8.74			
BT Global Income Fund 35				8.74			
BT Global Income Fund 36				8.74			
BT Global Income Fund 37				8.74			
BT Global Income Fund 38				8.74			
BT Global Income Fund 39				8.74			
BT Global Income Fund 40				8.74			
BT Global Income Fund 41				8.74			
BT Global Income Fund 42				8.74			
BT Global Income Fund 43				8.74			
BT Global Income Fund 44				8.74			
BT Global Income Fund 45				8.74			
BT Global Income Fund 46				8.74			
BT Global Income Fund 47				8.74			
BT Global Income Fund 48				8.74			
BT Global Income Fund 49				8.74			
BT Global Income Fund 50				8.74			
BT Global Income Fund 51				8.74			
BT Global Income Fund 52				8.74			
BT Global Income Fund 53				8.74			
BT Global Income Fund 54				8.74			
BT Global Income Fund 55				8.74			
BT Global Income Fund 56				8.74			
BT Global Income Fund 57				8.74			
BT Global Income Fund 58				8.74			
BT Global Income Fund 59				8.74			
BT Global Income Fund 60				8.74			
BT Global Income Fund 61				8.74			
BT Global Income Fund 62				8.74			
BT Global Income Fund 63				8.74			
BT Global Income Fund 64				8.74			
BT Global Income Fund 65				8.74			
BT Global Income Fund 66				8.74			
BT Global Income Fund 67				8.74			
BT Global Income Fund 68				8.74			
BT Global Income Fund 69				8.74			
BT Global Income Fund 70				8.74			
BT Global Income Fund 71				8.74			
BT Global Income Fund 72				8.74			
BT Global Income Fund 73				8.74			
BT Global Income Fund 74				8.74			
BT Global Income Fund 75				8.74			
BT Global Income Fund 76				8.74			
BT Global Income Fund 77				8.74			
BT Global Income Fund 78				8.74			
BT Global Income Fund 79				8.74			
BT Global Income Fund 80				8.74			
BT Global Income Fund 81				8.74			
BT Global Income Fund 82				8.74			
BT Global Income Fund 83				8.74			
BT Global Income Fund 84				8.74			
BT Global Income Fund 85				8.74			
BT Global Income Fund 86				8.74			
BT Global Income Fund 87				8.74			
BT Global Income Fund 88				8.74			
BT Global Income Fund 89				8.74			
BT Global Income Fund 90				8.74			
BT Global Income Fund 91				8.74			
BT Global Income Fund 92				8.74			
BT Global Income Fund 93				8.74			
BT Global Income Fund 94				8.74			
BT Global Income Fund 95				8.74			
BT Global Income Fund 96				8.74			
BT Global Income Fund 97				8.74			
BT Global Income Fund 98				8.74			
BT Global Income Fund 99				8.74			
BT Global Income Fund 100				8.74			
BT Global Income Fund 101				8.74			
BT Global Income Fund 102				8.74			
BT Global Income Fund 103				8.74			
BT Global Income Fund 104				8.74			
BT Global Income Fund 105				8.74			
BT Global Income Fund 106				8.74			
BT Global Income Fund 107				8.74			
BT Global Income Fund 108				8.74			
BT Global Income Fund 109				8.74			
BT Global Income Fund 110				8.74			
BT Global Income Fund 111				8.74			
BT Global Income Fund 112				8.74			
BT Global Income Fund 113				8.74			
BT Global Income Fund 114				8.74			
BT Global Income Fund 115				8.74			
BT Global Income Fund 116				8.74			
BT Global Income Fund 117				8.74			
BT Global Income Fund 118				8.74			
BT Global Income Fund 119				8.74			
BT Global Income Fund 120				8.74			
BT Global Income Fund 121				8.74			
BT Global Income Fund 122				8.74			
BT Global Income Fund 123				8.74			
BT Global Income Fund 124				8.74			
BT Global Income Fund 125				8.74			
BT Global Income Fund 126				8.74			
BT Global Income Fund 127				8.74			
BT Global Income Fund 128				8.74			
BT Global Income Fund 129				8.74			
BT Global Income Fund 130				8.74			
BT Global Income Fund 131				8.74			
BT Global Income Fund 132				8.74			
BT Global Income Fund 133				8.74			
BT Global Income Fund 134				8.74			
BT Global Income Fund 135				8.74			
BT Global Income Fund 136				8.74			
BT Global Income Fund 137				8.74			
BT Global Income Fund 138				8.74			
BT Global Income Fund 139				8.74			
BT Global Income Fund 140				8.74			
BT Global Income Fund 141				8.74			
BT Global Income Fund 142				8.74			
BT Global Income Fund 143				8.74			
BT Global Income Fund 144				8.74			
BT Global Income Fund 145				8.74			
BT Global Income Fund 146				8.74			
BT Global Income Fund 147				8.74			
BT Global Income Fund 148				8.74			
BT Global Income Fund 149				8.74			
BT Global Income Fund 150				8.74			
BT Global Income Fund 151				8.74			
BT Global Income Fund 152				8.74			
BT Global Income Fund 153				8.74			
BT Global Income Fund 154				8.74			
BT Global Income Fund 155				8.74			
BT Global Income Fund 156				8.74			
BT Global Income Fund 157				8.74			
BT Global Income Fund 158				8.74			
BT Global Income Fund 159				8.74			
BT Global Income Fund 160				8.74			
BT Global Income Fund 161				8.74			
BT Global Income Fund 162				8.74			
BT Global Income Fund 163				8.74			
BT Global Income Fund 164				8.74			
BT Global Income Fund 165				8.74			
BT Global Income Fund 166				8.74			
BT Global Income Fund 167				8.74			
BT Global Income Fund 168				8.74			
BT Global Income Fund 169				8.74			
BT Global Income Fund 170				8.74			
BT Global Income Fund 171				8.74			
BT Global Income Fund 172				8.74			
BT Global Income Fund 173				8.74			
BT Global Income Fund 174				8.74			
BT Global Income Fund 175				8.74			
BT Global Income Fund 176				8.74			
BT Global Income Fund 177				8.74			
BT Global Income Fund 178				8.74			
BT Global Income Fund 179				8.74			
BT Global Income Fund 180				8.74			
BT Global Income Fund 181				8.74			
BT Global Income Fund 182				8.74			
BT Global Income Fund 183				8.74			
BT Global Income Fund 184				8.74			
BT Global Income Fund 185				8.74			
BT Global Income Fund 186				8.74			
BT Global Income Fund 187				8.74			
BT Global Income Fund 188				8.74			
BT Global Income Fund 189				8.74			
BT Global Income Fund 190				8.74			
BT Global Income Fund 191				8.74			
BT Global Income Fund 192				8.74			
BT Global Income Fund 193				8.74			
BT Global Income Fund 194				8.74			
BT Global Income Fund 195				8.74			
BT Global Income Fund 196				8.74			
BT Global Income Fund 197				8.74			
BT Global Income Fund 198				8.74			
BT Global Income Fund 199				8.74			
BT Global Income Fund 200				8.74			
BT Global Income Fund 201				8.74			
BT Global Income Fund 202				8.74			
BT Global Income Fund 203				8.74			
BT Global Income Fund 204				8.74			
BT Global Income Fund 205				8.74			
BT Global Income Fund 206				8.74			
BT Global Income Fund 207				8.74			
BT Global Income Fund 208				8.74			
BT Global Income Fund 209				8.74			
BT Global Income Fund 210				8.74			
BT Global Income Fund 211				8.74			
BT Global Income Fund 212				8.74			
BT Global Income Fund 213				8.74			
BT Global Income Fund 214				8.74			
BT Global Income Fund 215				8.74			
BT Global Income Fund 216				8.74			
BT Global Income Fund 217				8.74			
BT Global Income Fund 218				8.74			
BT Global Income Fund 219				8.74			
BT Global Income Fund 220				8.74			
BT Global Income Fund 221				8.74			
BT Global Income Fund 222				8.74			
BT Global Income Fund 223				8.74			
BT Global Income Fund 224				8.74			
BT Global Income Fund 225				8.74			
BT Global Income Fund 226				8.74			
BT Global Income Fund 227				8.74			
BT Global Income Fund 228				8.74			
BT Global Income Fund 229				8.74			
BT Global Income Fund 230				8.74			
BT Global Income Fund 231				8.74			
BT Global Income Fund 232				8.74			
BT Global Income Fund 233				8.74			
BT Global Income Fund 234				8.74			
BT Global Income Fund 235				8.74			
BT Global Income Fund 236				8.74			
BT Global Income Fund 237				8.74			
BT Global Income Fund 238				8.74			
BT Global Income Fund 239				8.74			
BT Global Income Fund 240				8.74			
BT Global Income Fund 241				8.74			
BT Global Income Fund 242				8.74			
BT Global Income Fund 243				8.74			
BT Global Income Fund 244				8.74			
BT Global Income Fund 245				8.74			
BT Global Income Fund 246				8.74			
BT Global Income Fund 247				8.74			

Alcan Aluminum Corp	26.70	
Alcoa Inc	26.70	
Aluminum Co of America	26.70	
Aluminum Co of Canada	26.70	
Aluminum Co of India	26.70	
Aluminum Co of Japan	26.70	
Aluminum Co of Korea	26.70	
Aluminum Co of Russia	26.70	
Aluminum Co of South Africa	26.70	
Aluminum Co of Sweden	26.70	
Aluminum Co of Switzerland	26.70	
Aluminum Co of Taiwan	26.70	
Aluminum Co of Thailand	26.70	
Aluminum Co of United Kingdom	26.70	
Aluminum Co of United States	26.70	
Aluminum Co of Venezuela	26.70	
Aluminum Co of Yugoslavia	26.70	
Aluminum Co of Zaire	26.70	
Aluminum Co of Zimbabwe	26.70	
Aluminum Co of Argentina	26.70	
Aluminum Co of Brazil	26.70	
Aluminum Co of Chile	26.70	
Aluminum Co of Colombia	26.70	
Aluminum Co of Costa Rica	26.70	
Aluminum Co of Cuba	26.70	
Aluminum Co of Dominican Republic	26.70	
Aluminum Co of Ecuador	26.70	
Aluminum Co of El Salvador	26.70	
Aluminum Co of Guatemala	26.70	
Aluminum Co of Honduras	26.70	
Aluminum Co of Mexico	26.70	
Aluminum Co of Nicaragua	2	

[illegible][illegible][illegible][illegible][illegible][illegible]

Selling Price	Buying Price	+ or -	Yield Gross	Selling Price	Buying Price	+ or -	Yield Gross
------------------	-----------------	-----------	----------------	------------------	-----------------	-----------	----------------

هكذا من الامم

■ Last week's preliminary results

Company	Year	Pre-tax profit (\$000)	Earnings per share (\$)	Dividends per share (\$)
Acme Corp.	1964	25,000 (10,100.1)	2.5	—
Acme Corp.	1965	353 (141.8)	3.4	—
Acme Corp.	1966	6,300 (2,500)	17.5	0.65 (0.25)
Acme Corp.	1967	12,800 (5,100)	17	0.65 (0.25)
Acme Corp.	1968	2,200 (880)	5.3	—
Acme Corp.	1969	4,000 (1,600)	11.09	0.25
Acme Corp.	1970	3,700 (1,480)	23.5	22.0 (22.0)
Acme Corp.	1971	1,500 (600)	3.1	5.0
Acme Corp.	1972	10,000 (4,000)	17	2.0
Acme Corp.	1973	10,000 (4,000)	17	2.0
Acme Corp.	1974	15,000 (6,000)	30.64	13.0 (13.0)
Acme Corp.	1975	700 (280)	3.57	2.05 (2.05)
Acme Corp.	1976	341 (136)	0.91	0.04
Acme Corp.	1977	4,000 (1,600)	10.0	11.0
Acme Corp.	1978	7,000 (2,800)	19.0	4.0
Acme Corp.	1979	14,500 (5,800)	21.0	13.5 (13.5)
Acme Corp.	1980	14,500 (5,800)	7.50	3.25
Acme Corp.	1981	700 (280)	4.08	2.73
Acme Corp.	1982	243,000 (97,200)	64.0	55.1
Acme Corp.	1983	12,300 (4,920)	15.7	3.35
Acme Corp.	1984	40,000 (16,000)	19.1	19.0
Acme Corp.	1985	16,300 (6,520)	13.4	10.7
Acme Corp.	1986	4,500 (1,800)	8.77	2.29
Acme Corp.	1987	227 (91)	0.51	0.51
Acme Corp.	1988	3,700 (1,480)	1.69	1.02
Acme Corp.	1989	34,000 (13,600)	5.01	4.28
Acme Corp.	1990	3,100 (1,240)	6.1	2.0
Acme Corp.	1991	800 (320)	—	0.07
Acme Corp.	1992	5,000 (2,000)	11.16	0.63
Acme Corp.	1993	27,910 (11,164)	20.0	0.91
Acme Corp.	1994	755 (302)	1.83	0.93
Acme Corp.	1995	4,000 (1,600)	11.4	6.7
Acme Corp.	1996	10,000 (4,000)	14.5	10.1
Acme Corp.	1997	710 (284)	0.91	0.91
Acme Corp.	1998	1,000 (400)	3.0	1.5
Acme Corp.	1999	2,200 (880)	7.1	7.73
Acme Corp.	2000	4,000 (1,600)	1.76	—
Acme Corp.	2001	720 (288)	8.69	—
Acme Corp.	2002	1,000 (400)	—	0.75

Bids

On Tuesday, Badgerline and GRT, two of the UK's four listed bus companies, announced plans to merge which, if implemented, would create the second largest bus operator in the country, writes Geoff Dyer.

The new company, to be called FirstBus, would have an annual turnover of £348m and be capitalised at £265m. The proposed merger is the latest move in the rapidly consolidating bus industry, which was deregulated in 1986. Five operators now control over 50 per cent of the market.

The Office of Fair Trading said it would investigate the merger, but the two companies were confident of approval. Shares in GRT rose 13p to 269p on Tuesday, and Badgerline's shares were 5p higher at 138p.

■ Charles Schwab, the largest US discount broker, announced a recommended cash offer for Sharelink, the UK execution-only telephone share dealing service, on Wednesday, writes *Motoko Rich*. In its first acquisition

outside the US, Schwab would offer 235p a share, valuing the company at £39.7m. It would also offer a full loan note alternative to Sharelink shareholders. Sharelink shares rose 19p to 232p on Wednesday. They had already

surged 31p to 209p on March 28 when the company announced it was in bid talks. ■ Northern Electric, the regional power company, will have to call an extraordinary general meeting within seven weeks if Wyser-Pratte confirms next week it has gathered the requisite 10 per cent support to force a

cent support to force a meeting, *writes Michael Smith*. Wyser-Pratte, a US arbitrator firm, plans to nominate an additional director and to force Northern to consider an offer from Trafalgar House, the conglomerate whose bid for the power company lapsed last month.

■ **The Monopolies and Mergers Commission** will this week deliver its report on the bids by GEC and British Aerospace for VSEL, the submarine maker, to Michael Heseltine, the trade secretary.

■ Current takeover bids and mergers

Company and Year	Value of total costs per course*	Market price**	Price before tax	Value of total costs*	Order
AAH	429*	438	308	377.4	Gates
ACT	120	110	76½	212.0	Milroy
Int'l Comm & Data	149**	141:	11	9.40	R.R. Donnelly
North Sea Assets	34*	34	32	15.00	Dresser Inds.
Shimadzu	235	235	213	39.70	Sababhai
Southern Bus.	75	78	64	72.45	Berkley Bus.
Western Bus.	70*	78	53	67.50	Dakota Bus.
Wellcome †	1025	1066	688	9.40m	Glenzo

Directors' dealings

The sale of 7,945,000 Grand Central Investments shares at 50p by outgoing directors on 24 May 1989 was the first time that Iskandar Neapban was one of the interesting stories of the week, unless *Vivienne MacDonald of The Inside Track*.

The shares were trading well below this level at the time, and this was the second time Neapban had sold off a large tranche at above market rates. He has now sold off his whole interest in the company and

Pengkalan Holdings Berhad now has 3.32% shares, or 61.5 per cent. This is the reason why the transaction took place at such a premium to the market – a takeover is under way.

Recently there appears to have been a trend of selling by directors of water companies. This time it was the turn of Sir Gordon Jones, chairman of Yorkshire Water, to sell 10,000 shares at 509.5p.

In the Pink

Plan a strategy to keep out of the workhouse

The UK welfare state has been in decline since the late 1970s. Relying on it could prove to be unwise, says **Debbie Harrison**

The welfare state will not provide. Whichever political party wins the next election, the steady erosion of state benefits looks likely to continue. But very few people are even trying to plug the growing gap by buying a DIY welfare package from the private sector.

misfortunes.
A theoretical example constructed by actuaries Watson Wyatt suggests that an identikit 40-year-old family man should be spending at least a quarter of his gross income on financial essentials: pension, life insurance and income protection. If, not unreasonably, he also insists on private medical and critical illness insurance, he needs to put aside an extra 5 per cent.

suffer financially if you die. Some company pension schemes include a death benefit. Simple term insurance, which only pays out on death and has no savings element, is readily available.

Very crudely, what your dependents inevitably miss if you die is your earning capacity. But what if you lose your income while still alive? Remarkably few people even try to insure against prolonged ill-health, unemploy-

policy which takes care of your mortgage payments for a limited period. The last Budget clamped down on state-financed mortgage payments for people on income support.

Worrying about the cost of long-term care is Middle England's new preoccupation. Will you be able to keep yourself in comfort in your old age, and what about your parents now? Insurance is available, but costs more the older you are. State care gets a

The costs of insuring yourself against all the things that could go wrong in your life are very high. Many would find it impossible to afford full protection.

The thought of sudden, unexpected death concentrates the mind, and most of us take out a sensible level of term assurance to provide a lump sum for our family.

vate schooling for his children, the total would rise to an impossible 60 per cent. Although much of the most essential spending is tax deductible, the example makes no allowance for equally necessary items, such

Permanent health insurance is readily available, and will pay an earnings-related, inflation-linked "salary" until normal retirement age. It protects against long-term disability, not

emerging from the darkness of the Poor Law into the light of the Beveridge Plan of 1942 and the post-War welfare state." But, as she sees it, even during the heyday of the classic welfare state, from 1945 to 1976, the needy always relied

But statistics suggest that there is a much greater chance of our becoming disabled or contracting a long-term illness than of dying young. Should disaster strike, many families are protected by company pension schemes but the growing numbers of self-employed must look after themselves.

The most important single item on our shopping list is a pension. Some people are still lucky enough to belong to a good company scheme. But increasing numbers do not. Anyone taking out a personal pension can put in up to 17.5 per cent of their annual earnings tax free - or more for

help pay for care for the disabled person, and provide some money to look after dependents. But there is no guarantee that it will meet the actual needs of either. And if someone is disabled early in his working life, he will probably find himself with an insufficient pension and no money

The rising cost of welfare is not a peculiarly British problem. Elsewhere, some governments have taken action. Switzerland and Australia, for example, operate a system of compulsory private pension contributions. Last year, Ger-

Most people are aware of the increasing deficiencies of the welfare state, and their own vulnerability; few have done enough to cope with the problem. *The costs of insuring yourself against all the things that could go wrong in your life are very high. Many would find it impossible to afford full protection. And as yet it is not even possible to buy insurance against some common*

older people. Very few people invest up to the limit. But our example suggests that many people ought to invest more than the legal limit in order to be sure of getting an adequate pension when they retire. State old-age benefits are very low, particularly for the self-employed.

Whether you need life insurance depends on whether you have dependents who will

for long-term care when their insurance payments stop. The state does provide some money for shorter-term sickness, but payments for long-term disability are being cut back from next week.

The big snag about protecting your income against unemployment or redundancy is that such insurance is not available. The nearest equivalent is a mortgage protection

many introduced compulsory insurance contributions to cover nursing home fees and other special care for the very elderly.

Pessimists argue that the British public will only wake up to the need to protect itself when one generation has endured an indigent old age. Ask not for whom the workhouse looms, it looms for you.

■ Last week's interim results

[illegible]

Results due next week

	Sector	Account due	Last year interim	Final	This year interim
REAL ESTATE					
General Western	Text	Wednesday	2.1	3.5	2.3
General Western	Lat	Monday	-	-	1.5
General Western	B&C	Monday	-	-	1.6
General Western	Redn	Thursday	-	6.1	-
General Western	n/a	Tuesday	-	-	0.5
General Western	Perp	Monday	5.67	13.61	2.89
General Western	Med	Tuesday	-	-	0.5
General Western	Eng	Tuesday	2.0	3.25	2.19
General Western	B&C	Monday	2.9	3.0	2.6
General Western	n/a	Monday	2.9	3.0	2.6
General Western	Perp	Wednesday	-	-	1.0
General Western	n/a	Thursday	-	5.0	-
General Western	Eng	Tuesday	2.46	5.10	2.70
General Western	Perp	Monday	4	1.05	0.95
General Western	Text	Thursday	0.5	0.8	0.5
General Western	Lat	Wednesday	2.75	4.75	2.75
General Western	Lat	Tuesday	22	3.5	2.2
General Western	Redn	Monday	1	1.8	1.8
General Western	Perp	Monday	0.15	0.18	0.18
General Western	n/a	Tuesday	1.4	-	1.45
General Western	Eng	Thursday	4.0	6.0	4.0
General Western	Text	Wednesday	0.52	0.3	0.5
General Western	Perp	Monday	1.5	5.5	3.0
General Western	n/a	Wednesday	-	-	0.55
General Western	n/a	Tuesday	0.935	1.035	0.935
General Western	Perp	Wednesday	3.9	4.44	2.15
General Western	Perp	Monday	3.9	3.0	1.9
General Western	Redn	Wednesday	6.0	14.4	7.0
General Western	Lat	Tuesday	-	-	3.5
General Western	Perp	Monday	0.25	0.25	0.5
General Western	B&C	Tuesday	2.4	2.4	2.7
General Western	Redn	Tuesday	5.0	5.5	2.7
General Western	n/a	Monday	2.45	5.5	3.0
General Western	Perp	Tuesday	-	1.75	-
General Western	n/a	Wednesday	-	-	2.0
General Western	Chem	Tuesday	2.95	3.05	2.8
REAL ESTATE					
General Western	Perp	Wednesday	2.25	3.25	-
General Western	Text	Wednesday	1.2	2.25	-
General Western	Perp	Thursday	-	1.15	-
General Western	Eng	Wednesday	-	-	1.5
General Western	n/a	Monday	1.82	1.85	-
General Western	Perp	Monday	2.75	4.75	-
General Western	Redn	Monday	-	-	0.5
General Western	Eng	Wednesday	4.5	8.4	-
General Western	Perp	Tuesday	-	-	1.0

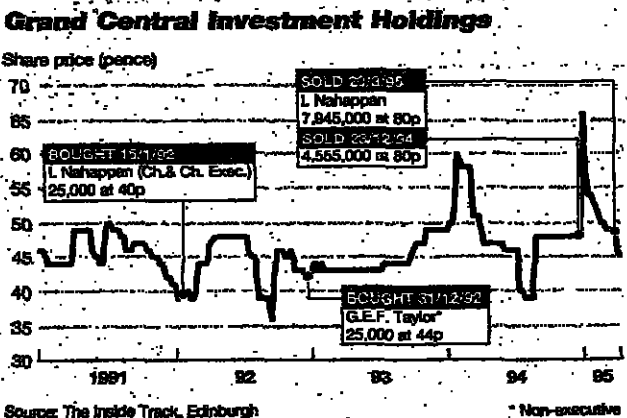
Dividends are shown net price per share and are adjusted for any intervening scrip issues. Reports and accounts are not normally available until about six weeks after the end of the period. † 1st quarterly. ‡ 2nd quarterly. § 3rd quarterly. ¶ Irish pounds.

Right to Life

company is planning a £62.5m rights issue and £40m debt for equity swap.

Case Study: Placings & Introduction

more £11 is to raise £15.9m via a placing and open offer.
 Group is to raise £1.21m net via a placing of 1.44m ord shares @ 1.0
 is to raise £400m via a public issue in May.
 is to raise £1.21m net via a placing of 1.44m shares @ 125p.



■ Directors' share transactions in their own companies

Company	Sector	Shares	Value \$'000	No of directors
SALES				
Albia	Bec	8,000	18	1
Alliance Trust	InvT	1,580	28	2
Arcaclon Ind	BCon	584,588	228	1
Broadcastle	OHF	60,000	14	1
Calix Mail & Gen	Media	1,600	1,600	1
Chemers Elect	Diat	8,700	21	1
Granger Trust	Proc	8,700	20	1
Grand Cent Inv Hld	Relat	7,945,000	8,238	1
Grosco	Relat	1,085	12	1
Grosvener Inns	Bew	7,000	11	1
Holma	Bno	25,000	47	1
Hogswog	OSAS	7,000	18	1
LASMO	Oil	10,000	16	1
Lecol & General	LTA	10,000	48	1
MFI	RelG	15,000	19	1
Merica & Scenep	RelG	5,000	25	1
Mohmex Bros	Proc	170,000	119	1
PSBT	Proc	16,250	21	2
Rathbone Bros	OHF	15,000	47	2
Redrow Group	BCon	12,000	14	1
Reylon Group	Hood	4,874	13	1
SEET	Text	20,000	14	1
Soraw-Soraw	Bno	8,250	15	1
Tav Homes	BCon	8,000	13	1
Travel Parks	BMMI	4,800	14	1
Whymont & Dudlev	Brow	10,350	32	1
Whynale	RelG	9,850	14	1
York-Tyng Toys	Media	5,000	11	2
Yorkshire Water	InvT	10,000	51	1
PURCHASERS				
Ascon Corpn	PRSP	25,000	42	2
BAT Ind	Thro	3,325	15	1
Bald Whtl	Text	13,500	30	1
Bourne End Proc	Proc	55,000	14	2
Cosla Int	Chem	3,518	12	1
Eye & Scot Ind	InvT	10,000	12	1
Flying Emeralds	InvT	10,000	13	1
Grosco	Relat	1,311	15	1
Hambro Group	Relat	50,000	58	2
Medicall	LHM	25,000	32	1
Proc	Proc	10,000	12	1
James Smith Est	Bno	16,302	46	2
Kenwood	Text	15,000	49	1
Lampert Hides	InvT	20,000	17	1
Mercury European	Proc	50,000	34	2
Mohmex Estate	InvT	9,884	12	1
Moorcroft Smelter Co	InvT	110,000	53	2
Nestor-BNA	Oil	42,500	11	1
Praxair Consolidated	Bec	10,000	11	2
Praxair	LMA	12,475	40	2
Prudential Corp	Edn	57,837	200	1
RUB Minors	Text	30,000	21	1
SEET	Proc	97,929	82	1
Triford Park	LMA	10,954	38	1
Tyng Atlantic	Relat	5,336	15	1
United Abolite	Divl	5,800	15	1

Companies must notify the Stock Exchange within five working days of a share transaction by a director. This list contains all transactions (listed and unlisted), including exercise of options (*) if 100% subsequently sold, with a value over £10,000. Information as at March 27-31 1985
Source: The Inside Track, Edinburgh, 031-538 7070

THE

COLVIN WOODS

STRATEGIC

RISK CONTROLLED

DERIVATIVE

THE COLVIN WOODS DERIVATIVES FUND

The Colvin Woods Derivatives Fund is designed to provide effective diversification for traditional portfolios through the strategic use of derivatives. The fund's objective is to optimise returns for our clients by identifying potential gains in the global commodity, currency, equity and bond markets at an acceptable level of risk.

- A Balanced Combination of Specialist Traders
- Target Net Return 20-25%
- Potential to Profit from Falling Markets

- Highly Developed Risk Management Controls
- Controlled Application of Leverage
- Minimum Subscription \$25,000

COLVIN WOODS DERIVATIVES FUND LIMITED

Issued by Rudolf Wolff & Co. Ltd. Plantation House, 31-35 Fenchurch Street, London EC3M3DX.
Telephone: 0171-626 8765 Direct Line: 0171 962 1697 Facsimile: 0171-962 1739

Name
Address
PostCode Telephone.....

RUDOLF WOLFF FT.114

The protections afforded to investors under the UK regulatory system do not apply to investments made in the above fund. In addition,

Weekend Investor

Wall Street Goldilocks and the three bulls

Traders think the US economy is neither too hot nor too cold, writes Maggie Urry

So Goldilocks tried some of the porridge from the tiny little bowl. This time it was neither too hot nor too cold. It was just right - and so delicious that Goldilocks ate it all up.

Like Goldilocks and the porridge, Wall Street's view of the economy is that it is neither too hot nor too cold. And that is delicious fare for the stock market.

After the blip at the end of last week, when shares took fright at an upward revision to the growth figure for the last quarter of 1994, the market has again reached new highs. This week's economic news has convinced investors that the so-called soft landing - a combination of moderate growth and low inflation - is on its way, if not already here.

Yesterday's employment statistics showed a slower rate of growth in non-farm jobs, a rise of 203,000 compared to 345,000 in February. Jobs in manufacturing, which rose 45,000 in January and 18,000 in February, fell by 4,000 in March.

As so often, the stock market took a perverse pleasure in bad news. Never mind the 4,000 people who lost their jobs, the fact that they have shown the economy is slowing down.

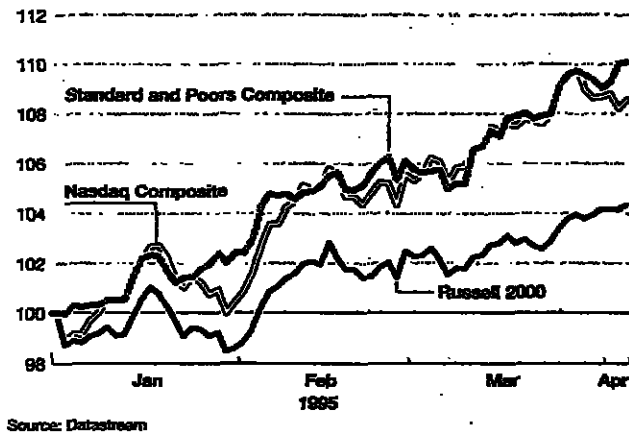
Other statistics this week have suggested the same conclusion. The purchasing managers index fell, as did the index of leading indicators. Construction has been weak, so have retail sales. Both General Motors and Chrysler announced a drop of nearly 10 per cent in year-on-year auto sales in March. Sales in January and February had been poor too. Ford did better, reporting a 3.4 per cent rise in sales for the month.

One theory for weak retail and car sales is that tax refunds have been delayed this year, as the tax man has scrutinised returns even more carefully. Another is that, as Easter falls in April this year, but was in March last year, clothing sales have been delayed, not abandoned. If so, when the refunds come through this month, sales of Easter bonnets could still be strong.

Whether or not the economists are right about the soft landing, investment returns for the first quarter of the year have been good. Adding in dividends, an investor in the S&P 500 index would have made 10 per cent on his money in only three months.

Small isn't beautiful

Indices released



Source: Datastream

Returns have been boosted by companies buying their shares back - although there have been few on the scale of Du Pont's \$8.8bn purchase of 23 per cent of its own stock from Seagram. Acquisition activity has also been high in the quarter, with the value of deals 35 per cent above the first quarter of last year, at \$73.2bn.

But the big question is how long can superior returns continue. Cornelia Small, global strategist at Bandler, the large mutual fund group, thinks there is a 50 per cent chance that growth will slow with inflation only inching up, and in this case the market will make modest returns - with the S&P 500 returning 6.4 per cent, including dividends, over the next 12 months.

There is a 25 per cent chance, she thinks, that the economy and the stock market will pick up again in 1996, with the S&P 500 returning 26 per cent. The third possibility is of deflation and falling markets. But even that would only knock about 10 per cent off the S&P 500 over the next year, a fall softened to 7.4 per cent by dividend payments.

Looking at the gains in the first quarter, the chart shows that the large stocks in the S&P 500 index have outperformed the Russell 2000 index of small capitalisation stocks, while the Nasdaq market, which is heavily weighted towards technology stocks has almost matched the S&P 500, though it has been more volatile. Technology stocks are expected to grow faster but are also more risky.

One side effect of the falling dollar has been a preference by investors for companies with a

large proportion of earnings outside the US, generally the larger companies.

The effect of the falling dollar and the slowing US economy on corporate profits will become clearer as companies publish first quarter results over the next few weeks. If the trend is weak, the market may decide that a soft landing is not such a good thing after all and share prices could slip.

Already, retailers' shares have been weak as investors translate the poor sales figures into dull profits. The fall in car sales led Robert Eaton, Chrysler chairman, to warn that first quarter and first half earnings will be hit by the discounts it has been offering to buyers of vehicles. Chrysler shares fell heavily.

Among technology stocks Wall Data, a software company quoted on Nasdaq, warned on Thursday that it could make a loss in the first quarter, and its shares nearly halved on the day. Shares in Dialogic, which makes hardware and software for telecommunications, fell 20 per cent on a warning that earnings would be below forecasts.

The expectation is still for continued growth in profits, but that view appears to be so fully reflected in share prices that the market cannot countenance disappointment. After all, in the fairy tale the bears came home and chased Goldilocks away.

Dow Jones Ind Average

Monday	4,168.41	+10.72
Tuesday	4,201.61	+33.20
Wednesday	4,200.57	-1.04
Thursday	4,205.41	+4.84
Friday		

London Footsie catches spring fever

Philip Coggan asks when UK shares' giddy rise will end

Spring is in the air, and the bulls are in the ascendant in the UK stock market. The FT-SE 100 index, having broken out of its 2,950-3,150 trading range, surged past the 3,200 level on Thursday.

The recent rally has taken the Footsie 233 points higher, or 7.9 per cent, over the past month. At yesterday's close of 3,210.9, the index is at its highest level since early September. Nor has the optimism been confined to the blue chips. Both the FT-SE 350 index and the FT-A-All-Share have been reaching new highs for the year, and advancing stocks have regularly outpaced those in decline. In the past 10 trading days, the ratio of advancing to declining stocks has been 1.4, close to its high for the year.

After such a good run, it would be only natural for the market to take a breather. Rallying rarely follows a straight line path, since some investors

take profits and others take fright at the increase in the traditional valuation measures. For example, the dividend yield on the All-Share, which reached an attractive 4.3 per cent in mid-March, dropped below 4.1 per cent on Thursday. Its low for the year was 4.01 per cent.

The historic price-earnings ratio on the FT Non-Financial index has edged up above 17, having fallen to 16.4 a month ago. The market seems to have moved in two phases this year. Having started at quite historically high valuation levels (a yield of 4.02 per cent, a p/e of 18), profits and dividends grew sufficiently to reduce those ratings. But since early March, optimism about interest rates on both sides of the Atlantic has pushed the ratings up again.

With analysts expecting further earnings growth of around 15 per cent this year, it is easy to see why forecasts of the Footsie reaching 3,500 by the

end of the year are widespread.

What can go wrong with this rosy picture? While the tone of the results season has been generally good, there has been some evidence of a tailing off in recent weeks. The four week average of the dividend index, calculated by subtracting the number of cuts from the increases and expressing the result as a percentage of the total, has dropped to 61.1 per cent, having peaked at 66.2 per cent in mid-March.

The dividend index is used by this column as a general indicator of the health of the corporate sector, since dividend payouts reflect directors' confidence in their companies' prospects.

More fundamentally, the recent rally has owed much to the strength of bond markets and to the buoyancy of Wall Street, which has daily been setting all-time highs.

Ever since Alan Greenspan, chairman of the US Federal Reserve, hinted in late February that interest rates might



Slowing down: manufacturing output figures were flat

have peaked, US bonds and equities have surged ahead. In turn, hopes have been raised that UK interest rates might not have to rise as much as had previously been feared.

The June short sterling contract, the market's vehicle for speculating on future interest rate changes, has risen from \$2.30 before Greenspan's comments to \$2.82 on Thursday. In layman's terms, this means that the market's expectations for interest rates in June have fallen by half a percentage point over the past six weeks.

Eddie George, governor of the Bank of England, met Kenneth Clarke, chancellor of the exchequer, this week to discuss monetary policy. In the absence of an official announcement, it is assumed that the pair agreed to leave base rates unchanged at 6.75 per cent.

But George will want to see evidence that economic growth is slowing to a sustainable pace, thereby heading off inflationary pressures, before he can feel confident that rates have peaked.

There was some tentative evidence of an economic slowdown this week in the shape of manufacturing output figures. These showed that output in the three months to February was no higher than in the previous three months. However, Confederation of British Industry surveys, which show manufacturers highly optimistic, casts doubt on the official figures.

But it is evidence of the slowing US economy which is more important to the market at the moment. Yesterday's non-farm payroll figures were seen as mixed; March's

employment increase was lower than expected, but February's was revised upwards. World markets, including the UK, could yet be tripped up by strongly positive US data, which would necessitate substantial Fed rate increases.

Alternatively, the continued weakness of the dollar, which so far has been taken calmly by US bond and equity markets, could yet force the Fed into action.

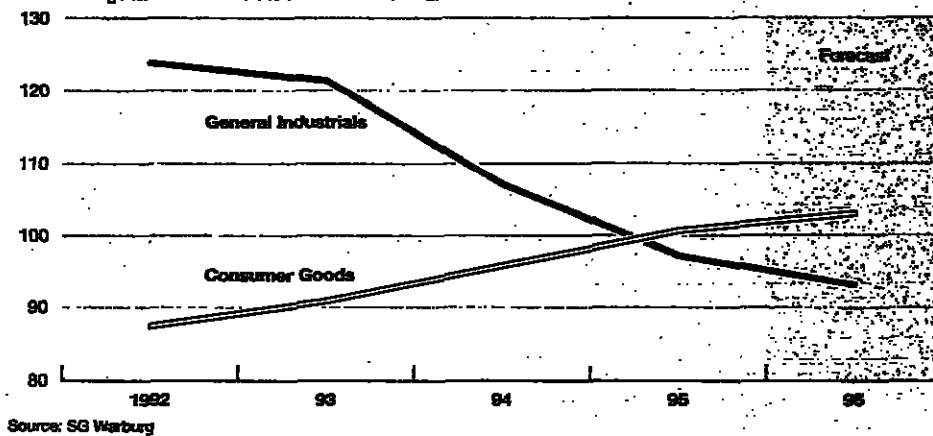
For the moment, however, optimism is in the ascendency. But while the overall indices have been moving ahead, the market has been shifting its preferences between sectors. As the graph shows, interest rate-sensitive industrial stocks traded at a price-earnings ratio which was higher than the rest of the market from 1992 to 1994.

But on S.G. Warburg's estimates, these stocks are now less highly rated than the market, particularly when one looks out to 1996 earnings. Consumer goods stocks have moved from a discount to a premium, as the market looks ahead to higher interest rates and slower economic growth in 1996.

Warburg also points out that services companies have stayed at a p/e premium to the market over the past few years. It warns that the earnings outlook for the group (which includes sectors such as media and leisure) is for slightly lower growth than the market as a whole; furthermore, the area has seen the bulk of the recent earnings downgrades by analysts. Given these factors, Warburg says it is hard to see how services stocks can outperform.

P/e relatives

Price-earnings ratio relative to the FT-SE-A Non-Financial Index



Source: SG Warburg

Highlights of the week

	Price y/day	Change on week	1995 High	1995 Low	
FT-SE 100	3210.9	+73.0	3202.3	2876.6	Wall Street strength
FT-SE Mid 250	3497.6	+62.9	4152.8	3300.9	Activity in utilities
British Gas	285½	+12	317½	280½	Takeover speculation/BZW "buy"
Cable & Wireless	413	+25	413	350½	Mercury stake speculation
Clinical Computing	42	-13	68	34	Worsening losses
Eastern Group	601	+32	800	535	Share buy back hopes
First Choice	118	+10	124	105	Hoare Govett recommendation
GRT Bus	285	+29	285	230	Merger with Badgerline
Glaxo	735	+29	738	587	Immigration approval in US
Go-Ahead	180	+14	186	166	Merger/takeover prospects
Harrington Kibridge	38	+17½	46	17	New chief executive
Nobo Group	143	-71	231	142	Profits warning
Vesper Thornycroft	778	+37	779	722	Order hopes
Yorkshire Elect	650	+44	908	599	Revived takeover speculation
Yorkshire-Tyne Tees	455	+46	463	366	Hope of change in ownership role



Barry Riley

Enter, pursued by a bear

Dr Duhm reacts badly to mention of a bullish Wall Street

My knees were definitely knocking slightly. I knew I was going to be scared. I was about to meet once again Dr Mortimer Duhm, not for nothing known as the white knuckle ride guru. Duhm is the name, doom is the game. I began rather tactlessly. It was, I opened brightly, a bad time for bears. Wall Street was re-established in a bull market, while interest rates had apparently peaked in the US and were coming down in Germany and Japan. As for global bonds, dollar-based investors had enjoyed an average total return of 11 per cent in the first quarter. Mort Duhm glowered. Cornered bears can turn nasty. "But of that return, two-thirds represented dollar depreciation against pretty well every currency except the Canadian dollar and the Italian lira," he snapped. "Let me make a prediction. Those returns will go much higher in the rest of the year, but only because the dollar will be in free fall."

Surely though, I said, the dollar was getting into heavily oversold territory. It was maybe 50 per cent undervalued against the Japanese yen on the basis of purchasing power parities. The German and Japanese central banks had been intervening this week and the Bundesbank, at least, was not

renowned for throwing good marks after a bad currency. "Just peanuts," snorted Mort. "We've come down from 100 to 84 yen already in 1995 and now we're on the edge of a precipice. The US Federal Reserve has been so busy bailing out Mexico that it has failed to understand the implications of what happened to the peso."

"Remember that foreigners suddenly got tired of financing the balance of payments deficit of a country that showed no inclination to curb its overconsumption and to balance its external accounts. Now for Mexico read the US, which has financed itself with \$700bn of hot money during the past few years. True, the debts are less serious relative to the size of the US economy than the Mexican borrowings were. But in absolute terms they are much bigger."

"And a lot of the recent buying of US Treasuries appears to have been by central banks in Asia and South America. This has to be regarded as very low quality support, once they work out their open-ended vulnerability to exchange rate losses and set about diversifying their reserves."

"Anyway, the dollar has actually been strong against the currencies of some of America's western hemisphere trading partners. Mexico's devaluation has undermined US export volumes there and

helped to swell the January trade gap. The US dollar may need competitive devaluations against the Mexican peso and the Canadian dollar. Horrible to think about, isn't it?" He grinned.

But surely, I said, the strength of dollar bonds was a positive development, and a sign of an easing of financial

'The US still behaves as though the dollar is God's gift to a grateful world'

pressures in the US economy. It suggested a sharp slowdown in economic growth to sustainable levels, with room being created for exports.

Dr Duhm was less than impressed. "Yields on US Treasuries have actually been lower than on German bonds, at least until this week," he pointed out. "That has made no economic sense to international investors. The markets always invent explanations, but they are not the real reasons. Remember that last year, when bond yields were rising, it was said to be because investors were scared of inflation. Those inflation risks are actually getting much higher now, but

yields are down.

"So the new gloss is that the US economy is heading for a soft landing. Because of skewed seasonal adjustments the figures may actually suggest that for a few months. But in truth the bond market is temporarily distorted by exchange rate intervention. The combination of a weak currency and a strong bond market is freakish. Tell your readers to steer well clear."

The blood was beginning to drain from my knuckles. "I'll go this far," I said. "The Americans are taking a big risk in continuing to run a sizeable budget deficit, about 3 per cent of GDP, right through the full employment stage of the cycle. Given that the private sector savings ratio is so notoriously low in the US there is not enough domestic capital to cover all the demands, from both the public sector and the private sector. So foreign capital has to be drawn in - effectively, to finance investment. Cumulatively this is driving the US into a position of being a heavy net borrower from the other countries. But the US government still behaves as though the dollar is God's gift to a grateful world."

"You are beginning to understand," said Mort Duhm generously. To provide the capital, he went on, foreigners had to be attracted by the cheapness of dollar assets. But dollar bond yields were lower

than those in most of Europe, and most international investors were convinced that equities were overpriced on Wall Street.

"This can only be reconciled by a crash in the currency to a level at which dollar assets look cheap again to hard currency investors. But so long as the central banks are resisting that change, there will be a stand-off. Meanwhile the slow downwards drift means that foreigners who do dip their toes into the water suffer losses and are discouraged."

"But the bulls in America see it very differently," I answered. "They point to the restructuring of the industrial economy which is making the US much more competitive. Production capacity has grown much bigger than the traditional measurements would suggest. Meanwhile Japan is about to suffer a financial crisis under pressure from the cheap dollar and will have to close massive amounts of capacity. Eliminate the Japanese trade imbalance and you have got rid of half the US current account deficit at a stroke. It's not an American problem, it's a Japanese problem."

Mort Duhm gazed at the ceiling. "It sounds like an over-imaginative movie screenplay by Michael Crichton," he said. "But they've gone and sold all the studios to Japan."

FLEMINGS

FOR
PRIVATE CLIENTS AND
FAMILY TRUSTS

*A well supervised
investment service for
UK and International
private clients*

For further information about our services please
contact Charles Macfarlane or Mary Hide.

FLEMING PRIVATE ASSET MANAGEMENT LIMITED
20 Finsbury Street, London EC2Y 9AQ
Telephone: 0171 814 2700
Facsimile: 0171 814 2800

Member of the London Stock Exchange and The Securities and Futures Authority

Offshore managed funds are listed in this section, UK managed funds in Section One

150 من الاموال